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# **Daily Report—**

## **East Asia**

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# Daily Report

## East Asia

FBIS-EAS-93-187

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29 September 1993

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

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## Japan

### Editorials Urge Caution Regarding Clinton Talks

OW2909031893 Tokyo KYODO in English 0230 GMT  
29 Sep 93

[Text] Tokyo, Sept. 29 KYODO—Major Japanese newspapers Wednesday [29 September] said that Japan should not be seduced by U.S. President Bill Clinton's smiles and flattery of Prime Minister Morihiro Hosokawa during their first talks in New York. The leading business daily NIHON KEIZAI SHIMBUN said despite the "gentle wording," Clinton asked Hosokawa for some concrete progress in the ongoing framework trade talks during their summit.

Japan will be pressed to make adjustments in five fields, including insurance and government procurement, by mid-November when a summit of the Asia-Pacific economic cooperation forum is scheduled, the NIHON KEIZAI said.

The business daily also said Japan-U.S. agreement to pull out the stops for a GATT agreement this year means Tokyo has to decide on the controversial issue of whether to open its rice market.

It said the change of government in Japan will not produce immediate radical reforms. "We are really scared when imagining the U.S. reaction if they believe their excessive expectations have been betrayed."

In an editorial entitled as "no pain, no gain," the mass circulation YOMIURI SHIMBUN said Japan-U.S. economic problems cannot be dealt with by the efforts of Japan alone. "Japan must expand domestic demand and open its markets, and the United States must reduce its fiscal deficit and increase its international competitiveness," it said.

The YOMIURI also said it appreciated that Hosokawa and Clinton confirmed the U.S.-Japan security pact would be maintained as the basis of partnership for peace and prosperity of the world.

The MAINICHI SHIMBUN questioned if Hosokawa's U.S. visit was needed, saying the U.S. with its innumerable domestic and international problems to solve cannot afford to pay too much attention to Japan. The daily pointed out that U.S. reporters did not ask any questions about the U.S.-Japan summit at a joint press meeting conducted by Clinton and Hosokawa.

It criticized the Japanese Government for repeating its traditional pattern of preparing "souvenirs" prior to Hosokawa's U.S. visit, such as setting up an economic reform panel, announcing a stimulus package and making an official discount rate cut.

The daily said Hosokawa pledged to the U.S. to "make efforts" in the framework trade talks like his predecessors. "His remarks may create more friction between the U.S. and Japan on whether or not they constitute a pledge."

### Christopher Urges Progress in Trade Talks

OW2909000793 Tokyo KYODO in English 2347 GMT  
28 Sep 93

[Text] New York, Sept. 28 KYODO—U.S. Secretary of State Warren Christopher Tuesday [28 September] pressed Japan to "make progress" in the framework trade talks currently under way between the two countries.

Christopher issued the call in a meeting with Japanese Foreign Minister Tsutomu Hata, giving a clear signal that the U.S. Government places high priority on boosting exports to Japan and narrowing the bilateral trade gap. "Both of us have to make progress under the framework agreement," Christopher told reporters at the outset of the meeting.

U.S. and Japanese officials said Christopher repeated the demand during his talks with Hata. Christopher "stressed that progress in this matter is very important," a senior U.S. official told reporters after the meeting.

U.S. officials said the United States realizes the new coalition government in Tokyo has been in office for less than two months and "needs time" to resolve the complex trade issues under the framework agreement. The agreement, concluded last July between then-Prime Minister Kiichi Miyazawa and U.S. President Bill Clinton, commits the Japanese Government to an easing of import barriers on foreign goods and services and a reduction of its massive trade surplus.

Japanese and U.S. negotiators held their first round of talks last week in Hawaii where the U.S. made specific proposals aimed at opening the Japanese insurance market, boosting U.S. auto and auto part exports, and gaining better foreign access to Japanese Government procurement.

Christopher also complained about the lack of progress during the Hawaii trade talks, in a meeting between Clinton and Prime Minister Morihiro Hosokawa.

In his meeting with Christopher Tuesday, Hata underscored Japan's position that Tokyo too is concerned about the trade gap but the United States must also do its part. "To improve our trade balances, it requires efforts on both sides, not on one part," Hata told reporters at the outset of his meeting with Christopher.

Hata sidestepped a reporter's question on whether any specific target exists concerning Japan's commitment to reduce its global trade surplus—now over 130 billion dollars in current account terms—and Japanese officials said the U.S. side did not raise the issue during the meeting.

Apart from bilateral trade issues, Hata and Christopher also covered a broad range of international topics during their 40-minute meeting, officials said.

Japanese officials said Hata and Christopher expressed concern over North Korea's nuclear program and agreed to continue their close consultations on the matter.

A three-way meeting with South Korean Foreign Minister Han Sung-chu was originally scheduled to follow the meeting between Christopher and Hata, but the session was abruptly called off earlier Tuesday.

Japanese officials gave no explanation for the meeting's cancellation but refuted speculation it was attributable to fears that North Korea could view such a three-way meeting as a ganging-up of nations against Pyongyang.

On U.S. relations with China, Christopher told Hata that the U.S. Government wants to improve its strained ties with Beijing and remain "engaged with China" on a broad range of issues, Japanese officials said.

### **Timetable 'Remains Unchanged'**

OW2909141093 Tokyo KYODO in English 1340 GMT  
29 Sep 93

[Text] Tokyo, Sept. 29 KYODO—The timetable for completion of Japan-U.S. trade framework negotiations by January or February remains unchanged, a senior official at the Foreign Ministry said Wednesday [29 September].

The official, who declined to be named, was commenting on reports that U.S. Secretary of State Warren M. Christopher wanted the talks to be wound up by the next summit in November between Prime Minister Morihiro Hosokawa and President Bill Clinton.

The official said Christopher never mentioned November as a new deadline, and the agreement to conclude the talks on priority areas such as automobile trade and government procurement by another summit scheduled for January and February remains unchanged.

### **Bank Governor Concerned Over Floating Rates**

OW2909003293 Tokyo KYODO in English 2335 GMT  
28 Sep 93

[Text] Washington, Sept. 28 KYODO—Bank of Japan Governor Yasushi Mieno expressed concern Tuesday [28 September] over the floating exchange rate system while calling for close cooperation to stop speculative movements.

"There have been occasions, as can be seen in the events since last year's annual meetings, when the markets have exhibited marked instability because of speculative pressures," Mieno said in a speech at an international financial meeting. This was despite efforts by the Group of Seven major nations to keep rates stable over "the last two decades" since the world moved to floating exchange

rates, and "has made us aware once more of the need for stability...of major currencies," he said.

"To this end," he said, "Japan believes it is essential that the leading countries pursue cooperation in implementing sound macroeconomic policies and that we cooperate closely in exchange markets," he said.

He was making the speech as a representative of the Japanese delegation at the first day of a three-day annual convention of the International Monetary Fund and the World Bank that wraps up a spate of related meetings held here since Sunday.

Meanwhile, Mieno hinted at chances of the Japanese economy experiencing a grave downturn, voicing "considerable concern" that the yen's rise of some 20 percent against the dollar since early this year "might dampen Japanese efforts to achieve sustained economic growth."

On the world economy, Mieno stressed the need for "prudent" macroeconomic policy management not only among leading nations but also in nations switching to market economies and in developing nations, through "medium-term perspectives."

As for the leading nations, Mieno called for a reduction of fiscal deficits that would lead to a lowering of long-term interest rates in a bid to regain private confidence and to check increasing structural unemployment, he said.

Concerning Japan, he said the latest fiscal and monetary measures will start producing effects along with the same measures taken over the past year to prop up the still-sluggish economy.

"Steadfast" implementation of these measures will "facilitate the achievement of sustained growth led by domestic demand," contributing to a reduction in the current account surplus and promoting global economic recovery, he said. He noted that Japan will push tax reforms, including an income tax cut, through the government's tax commission.

Concerning the issue of developing nations, Mieno emphasized continued financial support of low-income nations to reduce poverty amid increasing gaps in wealth. But he said, "it is essential for the developing countries to have sufficient new money...and we should be cautious about official debt relief because it has a negative effect on the additional inflow of new money."

On former communist nations, he called on Russia to make "progress in reform and appropriate policy implementation," to justify its receiving already-agreed assistance.

Meanwhile, he stressed that Vietnam, Cambodia, Mongolia, Laos and other former communist nations should not be left on the sidelines when international assistance commitments are made.

On global trade, he reaffirmed the importance of a year-end conclusion of the Uruguay Round of multilateral trade talks to avoid the protectionism which is hindering world growth. He expressed concern over increasing regional integration by saying that such moves must be made to "complement the multilateral system of free trade and to promote global trade as a whole."

### Minister Urges Banks to Lower Lending Rates

OW2909120893 Tokyo KYODO in English 1025 GMT  
29 Sep 93

[Text] Tokyo, Sept. 29 KYODO—Japanese Finance Minister Hirohisa Fujii on Wednesday [29 September] urged commercial banks to continue their efforts to lower lending rates following the recent cut in the official discount rate to a record low of 1.75 percent per annum. Fujii, speaking at a regular press conference, welcomed recent announcements by commercial banks that they would lower their short- and long-term prime lending rates, but added he expects them to further reflect lower market interest rates in their lending rates even "beyond prime rates." Prime rates apply to the most creditworthy clients.

The finance minister said it is an oral but official request, following a written guidance issued by the Finance Ministry on September 17, before the discount rate was slashed September 21 by 0.75 percentage point. Fujii said it is up to each bank to decide what to do about rates but that lower lending rates would help companies suffering from recession. Many commercial banks will soon cut their short-term prime rates to 3.375 percent and long-term prime rates to 4.5 percent, while government lending institutions will also trim their loan rates from 4.8 percent to 4.6 percent from Friday.

Fujii said uncertainties over the future of the nation's business conditions triggered the benchmark 225-issue Nikkei stock average in Tokyo to fall below the 20,000 line temporarily during the day. But he did not change his previous view of the economy, saying that the situation is neither getting better nor worse, and adding that the government's pump-priming packages and the lowered official discount rate will gradually begin to take effect.

Fujii said he does not think the series of bribery scandals involving politicians and the construction industry will cause substantial harm to public works investments planned under the economic stimulation programs.

With respect to the worst rice crop in the postwar period due to the wet and cool summer, Fujii said the government will not hesitate to carry out its financial obligations to tackle the problem.

Meanwhile, Fujii said he will not be attending the Friday meeting in Washington to support the reconstruction of Palestine due to the convening of the Diet, where the budget committee is expected to hold a session. His vice

minister for international affairs, Kosuke Nakahira, will fly to the U.S. capital instead, he said.

### Further on Possibility of Income Tax Cut

#### Keidanren Urges 'Drastic' Cut

OW2709101993 Tokyo KYODO in English 0958 GMT  
27 Sep 93

[Text] Tokyo, Sept. 27 KYODO—The head of Japan's influential business body on Monday [27 September] urged the government to quickly implement "a rather drastic" cut in the income tax to give an immediate boost to the flagging economy. Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), told a regular press conference that the timing of the tax cut may precede the planned overhaul of the nation's taxation system.

Calls have been growing in recent days for an early income tax reduction as the Japanese economy has failed to pull out from a protracted slowdown.

Finance Minister Hirohisa Fujii, now in Washington to attend an international financial meetings, indicated that the much-anticipated tax cut may be carried out as a stopgap measure before a more thorough revamping of the taxation system, namely the revision of the disproportionately heavy dependence on direct taxes such as the income tax.

The Keidanren chief voiced dissatisfaction with the tolerant stance of the Group of Seven (G-7) industrial nations toward the current foreign exchange rates expressed in the statement at the close of the meeting of top monetary officials in Washington Saturday.

"The break-even point for the Japanese industry is 115 yen to the dollar. A slightly weaker yen will be more welcome," he said.

#### Kumagai Views Possible Cut

OW2809141393 Tokyo NHK General Television Network in Japanese 1032 GMT 28 Sep 93

[Announcer-read report over video; from the "News 7" program]

[Text] The Government Tax System Research Council held a general meeting today to confirm once again that it will examine the possibility of cutting income tax when it makes a sweeping review of the current tax system.

[Begin unidentified NHK reporter recording] At the general meeting, one attendee after another said that whether income tax is cut or not before consumption tax is raised is a political question and the Government Tax System Research Council should discuss ways to revamp the current tax system in a desirable way. The council will discuss details of ways to reduce income tax from the standpoint of creating a new tax system under which the people are taxed fairly and equitably.

Speaking at a news conference held right after the general meeting, Kato, chairman of the Government Tax System Research Council, indicated that it would be indispensable for the government to decide to reduce income tax and increase indirect taxes, including the consumption tax, at the same time as it revamps the current tax system. [end recording]

Hiroshi Kumagai, international trade and industry minister, told a news conference in Osaka today that he thinks the Government Tax System Research Council will discuss the possibility of reducing income tax before the consumption tax is raised to stimulate Japan's stagnant economy. At the news conference, Mr. Kumagai also said: I intend to watch how the Government Tax System Research Council will discuss the possibility of reducing income tax in the future. My personal view is that a reduction of income tax will spur the economy, and I am aware that any increase in the consumption tax will have an adverse effect on stimulating the economy. I, however, believe the council will discuss the possibility of reducing income tax before the consumption tax is raised.

#### **Panel Said To Recommend Cut**

*OW2909133993 Tokyo KYODO in English 1307 GMT  
29 Sep 93*

[Text] Tokyo, Sept. 29 KYODO—A government advisory panel on administrative reforms will urge the government to slash the income tax in exchange for a hike of the consumption tax rate, sources said Wednesday [29 September].

The sources said the request will be incorporated in a set of recommendations to be submitted to the government of Prime Minister Morihiro Hosokawa in October by the Ad Hoc Commission on Administrative Reform. The report will stress the importance for the government to readjust the balance of direct and indirect taxes through reducing the income tax in exchange for a hike of the consumption tax rate, which now is set at 3.0 percent, they said.

The panel also calls on the government to review the postal savings system, including adjustments of interest.

The commission will also advise the government to work out a comprehensive medium-term action plan within fiscal 1994 to promote deregulation, the sources said.

#### **Ministry To Upgrade Fixed Assets for Taxation**

*OW2609091593 Tokyo KYODO in English 0811 GMT  
26 Sep 93*

[Text] Tokyo, Sept. 26 KYODO—The Home Affairs Ministry will raise prices of fixed assets to be assessed for tax to around 70 percent of the standard prices set by the National Land Agency, government officials said Sunday [26 September]. The ministry reevaluates assets every three years. The officials said real estate prices assessed by the ministry have been under fire because

they stood at about 20 to 30 percent of the standard prices. They said the ministry plans to keep tax rates on fixed assets in major cities low in a move to ease the tax burden of landowners.

The officials said the annual rate of tax increases will be held to 3.0 to 4.0 percent for residential assets and to 7.0 to 8.0 percent for those held by corporations. The reassessed prices will be referred to the ministry's advisory organ Central Fixed Property Valuation Council at its meeting October 4 for endorsement, the officials said.

They said the assessment will be made on the basis of prices prevalent July 1, 1992, while taking into account the recent downturn in land prices and the standard prices posted by the government January 1.

#### **G-7 Said Ready To Intervene in Currency Markets**

*OW2909004993 Tokyo KYODO in English 0027 GMT  
29 Sep 93*

[Text] Washington, Sept. 28 KYODO—Bank of Japan Governor Yasushi Mieno said Tuesday [28 September] the Group of Seven (G-7) industrial nations are ready to intervene in currency markets if necessary to head off volatile movements.

Noting that G-7 officials reaffirmed at their latest meeting Saturday the common view that rapid swings in exchange rates are undesirable and their commitment to have close contact, Mieno said that "such a thing could happen if necessary."

Mieno was speaking at a press conference after a speech to a joint meeting of the International Monetary Fund and the World Bank. Asked about the poor latest data on Japan's leading index, Mieno said he does not see it as pointing to "a rapid change" in the economic situation.

The economic planning agency reported Tuesday that its index of leading indicators fell below the boom-or-bust line of 50 in July for the third month in a row.

Asked about the possible impact of a poor rice harvest in Japan on overall prices, Mieno said he does not believe there will be any because rice is still tightly regulated. But he said he will carefully watch rice price movements.

#### **Keidanren Official Calls for Yen Redenomination**

*OW2709125493 Tokyo KYODO in English 1204 GMT  
27 Sep 93*

[Text] Tokyo, Sept. 27 KYODO—A Japanese business leader Monday [27 September] proposed upward redenomination of the yen as a measure to address the sluggish business environment. The suggestion was made by Tadahiro Sekimoto, vice chairman of the influential Federation of Economic Organizations (Keidanren), in a symposium held in Tokyo. Currently, the yen trades at roughly 105 yen to the dollar. While Sekimoto was not

specific, the redenomination could mean that the yen would be set at a single-digit equivalent of the dollar.

Sekimoto, who is also president of NEC Corp., said the proposed redenomination would cost 1.9 trillion yen and create demand, such as in industries that provide new cash registers and other equipment, totaling over 3 trillion yen. The move could also brake the current strong-yen trend, he said.

The executive also proposed the appointment of a new cabinet minister in charge of coordination of economic policies by the ministries and agencies concerned.

### Strong Yen Spurs Export Firms To Shift to Asia

OW2909031693 Tokyo KYODO in English 0155 GMT  
29 Sep 93

[Text] Singapore, Sept. 29 KYODO—Japanese companies heavily reliant on exports are shifting production to Singapore and other Asian nations to minimize negative effects of the strong yen, industry observers said Wednesday [29 September]. Under the added burden of the overall slump in the Japanese economy, many auto and electrical appliance manufacturers are choosing to expand existing facilities rather than build completely new plants, they said.

Some are transferring output from the members of the Association of Southeast Asian Nations (ASEAN) to such countries where labor is cheaper as China and Vietnam. Sony Display Device, a Singapore subsidiary of Sony Corp., has already begun integrated production of cathode-ray tubes for televisions. Previously, it only did final assembly of products, using semiprocessed components shipped from Japan.

Sony Display Device Director Atsuo Inagaki said the step worked well to counteract the effects of the yen's rapid rise in value.

Sharp Corp. said recently it will shift its entire output of twin-tub washing machines to the Philippines by October. Japanese demand for outmoded twin-tub washers has dropped, while products assembled overseas can be reimported into Japan more cheaply, sharp officials said.

Home electrical appliance plants may even disappear in Japan within a few years, except those for high-priced products such as large-screen color televisions, said Hideaki Ota, a researcher at the Singapore unit of the Nomura Research Institute.

Despite the strong yen, Japanese automakers, such as Toyota Motor Corp., have so far resisted raising prices in Southeast Asia. Toyota's sales in Southeast Asian countries from January to July of this year grew 20 to 50 percent from the same period last year. An official at a Toyota plant in Bangkok said the automaker may have no option but to raise prices in Thailand, if expanded purchases of locally made components and cost-cutting steps do not offset the effects of the strong yen.

Mitsubishi Motors Corp.'s joint venture in Malaysia is switching from parts obtained in Thailand to imports from Japan, which account for about 20 percent of the total parts used at the plant.

Japanese makers are increasingly transferring production of components that do not require skilled workers to countries with cheaper labor, in a move that leads to a horizontal division of labor among ASEAN countries, industry observers said.

Labor-intensive small Japanese firms, such as manufacturers of electrical appliance parts, leather products and cast metal, are now turning to China and Vietnam as their new production bases. Demand for home appliances like televisions is growing in both countries, the observers said.

Indonesia is moving to increase its appeal to labor-intensive Japanese companies by offering tax incentives for foreign firms, they said.

### Further on Possibility of Emergency Rice Imports

#### Sources of Purchase Discussed

OW2909081293 Tokyo KYODO in English 0753 GMT  
29 Sep 93

[Text] Tokyo, Sept. 29 KYODO—The Japanese Government will buy about 1.1 million tons of foreign rice as an emergency step to make up for a poor harvest this year, government sources said Wednesday [29 September]. The step will mark Japan's first major rice imports since 1984, when 150,000 tons of South Korean rice were allowed in under similar circumstances.

Some 400,000 tons of rice for the food-processing industry will probably be bought from Thailand, and 400,000 tons from Australia and 300,000 tons from the United States are expected to be imported for sale as a staple food, the sources said. The government will formally approve the import plan Thursday at a meeting of cabinet ministers concerned, they said.

The first shipment of foreign rice will arrive as early as December, beginning with 10,000 tons at a time for use in food-processing.

Japan has long closed its rice market as part of a policy to protect domestic rice growers and ensure self-sufficiency in the staple food. But with this year's rice harvest expected to be the worst in the postwar period, emergency imports have become necessary.

An unusually cool and rainy summer with a rash of typhoons hit rice-growing areas in the Tohoku region in northern Japan as well as Shikoku and Kyushu in the south. The national average rice crop index as of September 15 reportedly plunged to an "extremely poor" 80, against 100 for a normal year, compared with the previous postwar low of 84 registered in 1953.

The Ministry of Agriculture, Forestry and Fisheries will formally release the rice harvest data on Thursday.

Japan's overall rice consumption averages 10 million tons a year and there is expected to be a shortage of some three million tons due to the wretched harvest this year, the sources said. To meet this shortage, the government will, in addition to the import of 1.1 million tons of rice, put all domestic rice being produced for food-processing on the market as rice for staple food, they said.

Next summer, the government will put another one million tons or so of early harvested rice on the market, but there will still be a shortage of more than one million tons, the sources said.

The government therefore is negotiating with South Korea to buy more than one million tons of rice as staple food. But Seoul appears to be reluctant to sell this much because South Korea, too, had a poor harvest this year, they said.

North Korea has also asked South Korea to ship rice, according to the sources. At most, Japan can buy about several hundred thousand tons of rice from South Korea, the sources said.

The government will also sound out such countries as Vietnam, Indonesia, China and Taiwan for sales of rice, they said.

The planned emergency import of rice by Japan, meanwhile, has spurred expectations overseas that Tokyo may open its rice market to some extent. Japan's rice import ban is one of the thorny issues in the ongoing Uruguay Round of World Trade Talks under the General Agreement on Tariff and Trade (GATT).

Ryutaro Hashimoto, chairman of the Liberal Democratic Party's Policy Affairs Research Council, said Wednesday that Japan cannot lift the ban, as the current GATT talks do not offer a guarantee by rice exporting countries for a stable supply of rice to consuming countries like Japan.

### Komeito Urges 'Some Decision'

*OW2809063893 Tokyo KYODO in English 0545 GMT  
28 Sep 93*

[Text] Tokyo, Sept. 28 KYODO—Japan will have to "make some decision" on the opening of its rice market as long as it seeks a successful conclusion of the Uruguay Round of world trade talks, a leader of a ruling coalition member party said Tuesday.

"We should avoid being blamed as a main culprit for a possible failure in the Uruguay round," Yuichi Ichikawa, secretary general of Komeito, said in a lecture. "As long as we say Japan hopes for a successful conclusion of the Uruguay Round, we should make some decision while watching what will become of the rifts between the United States and the European Community (over farm trade)."

But the 58-year-old Ichikawa refused to elaborate further on what decision the seven-party coalition should reach to help successfully conclude the stalled multilateral trade talks being held under the general agreement on tariffs and trade (GATT).

"This issue is our headache," Ichikawa said.

Japan opposes the tariffication formula proposed in December 1991 by then-GATT Director General Arthur Dunkel. The formula calls for all nontariff restrictions on agricultural imports, including Japan's ban on rice imports, to be converted to customs duties without exception.

Komeito, supported by Buddhist lay organization Soka Gakkai, is the third largest force within the coalition government of prime minister Morihiro Hosokawa.

Hosokawa hinted last week that Japan should make some decision on the opening of its rice market prior to the December 15 deadline for wrapping up the overall package of the Uruguay Round.

### Purchase May Lead to Market Opening

*OW2909035293 Tokyo KYODO in English 0312 GMT  
29 Sep 93*

[Text] Tokyo, Sept. 29 KYODO—Japan will have to import rice as an emergency measure to make up for this year's record low crop. Prime Minister Morihiro Hosokawa said Wednesday [29 September]. Hosokawa did not say how much rice the government would import, but he is scheduled to consult with officials of the Agriculture, Forestry and Fisheries Ministry on the matter Wednesday afternoon.

Cool, wet weather this summer has badly hit the crop, and the harvest for the 1993 season is the worst since the end of World War II. The production index is likely to fall to 80 against 100 for a yearly mean, according to a Farm Ministry source. The Farm Ministry is due to announce the index for 1993 on Thursday.

A government source indicated Wednesday that emergency rice imports may lead to a gradual opening of Japan's rice market. The source said "it will be impossible to exclude rice imports completely in the future," when asked about the effect of emergency rice imports on the rice market issue. The source added that Japan is likely to import rice from the United States and Australia to meet staple food needs, under an emergency import plan. He said the government will import rice from California early next year. The source expressed opposition to large-scale imports from the U.S., however, saying "massive rice purchases by Japan may disrupt the market." He added that the U.S. lacks the capacity to undertake large-scale rice exports.

### Farm Union Expresses Concern

OW2809131593 Tokyo NHK General Television Network in Japanese 1017 GMT 28 Sep 93

[Announcer-read report over video; from the "NHK News 7" program]

[Text] Kawano, vice chairman of the Central Union of Agricultural Cooperatives [CUAC], today met Minister of Agriculture, Forestry, and Fisheries Eijiro Hata. Kawano said that the CUAC considers the government's reported emergency plans to import rice a matter of serious concern. He then handed Hata a letter demanding that the government stick to its policy of self-sufficiency in rice supply and store enough rice to lay to rest the anxiety of consumers and rice growers.

### Rice Harvest 'Wretched'

OW2909050993 Tokyo KYODO in English 0443 GMT 29 Sep 93

[Text] Tokyo, Sept. 29 KYODO—The harvest index for the 1993 crop of rice as of September 15 dropped below 90 against the base index of 100 in 16 prefectures, showing a wretched harvest nationwide, agricultural sources said Wednesday [29 September]. The poor crop followed the long rainy season, cool summer and damage caused by several typhoons.

Earlier reports said the national harvest index for the crop as of the same date, to be officially announced September 30 by the Agriculture, Forestry and Fisheries Ministry, fell to an "extremely poor" 80. It is the worst since 1948, when the government started compiling the index.

The sources put the index in Aomori Prefecture, northern Japan, at 32, down 53 points from the comparable figure as of August 15. They also said the index was 42 in Iwate Prefecture, 44 in Miyagi Prefecture, 67 in Fukushima Prefecture and 46 in Hokkaido, all in northern Japan.

The index was 83 to 84 in Akita and Yamagata Prefectures, respectively, also in northern Japan, the sources said.

In southern Japan, the index was put at 82 in typhoon-damaged Kagoshima Prefecture, 85 in Miyazaki Prefecture and 88 each in Saga, Nagasaki and Oita Prefectures.

Okinawa Prefecture, southern Japan, with an index of 103, was the only prefecture reporting over 100, they said.

### MITI Forms Panel To Review Industrial Structure

OW2709125393 Tokyo KYODO in English 1143 GMT 27 Sep 93

[Text] Tokyo, Sept. 27 KYODO—The Ministry of International Trade and Industry set up an ad hoc committee Monday [27 September] to review the nation's industrial

structure, ministry officials said. The 24-member panel under the Industrial Structure Council, an advisory body to the trade minister, will study structural reforms for industry on the basis of quantitative analysis, the officials said.

Among specific issues to be discussed are the creation of an appropriate social infrastructure for the nation's aging society, the long-term industrial outlook and the international harmonization of structural policies for industry, they said. The committee will work out an interim report by the end of November and a final report by next spring, they said.

MITI is likely to use the report when stating its views in another paper on economic reform to be prepared by the government's Economic Reform Study Council, an advisory panel to the prime minister.

### Leading Economic Indicators Reported for Jul

OW2809073293 Tokyo KYODO in English 0708 GMT 28 Sep 93

[Text] Tokyo, Sept. 28 KYODO—Japan's diffusion index of leading indicators of the economy for July stood at 40.0, short of the so-called boom-or-bust line of 50 for the third month in a row, the economic planning agency reported Tuesday [28 September]. The index is designed to point to the future trend of the economy over the short term, with the 50 threshold dividing the uptrend and the downtrend. The coincident indicator, a gauge for the current state of the economy, stood at 0.0 in July for the third consecutive month at below 50.

### Survey: Aug Industrial Output Fell 1.5 Percent

OW2709054193 Tokyo KYODO in English 0511 GMT 27 Sep 93

[Text] Tokyo, Sept. 27 KYODO—Japan's industrial production is forecast to have declined 1.5 percent in August from the previous month, according to the average of predictions by 20 major research institutions in a survey released Monday [27 September]. The survey, conducted last Friday by KYODO NEWS SERVICE, showed the institutions expected output at factories and mines in August to have fallen by 1.0 to 2.5 percent.

The Ministry of International Trade and Industry, which predicted a 1.0 percent fall for August based on a survey conducted early in that month, will announce the figure Thursday in a preliminary report.

An economist at Daiwa Institute of Research said the production index for August may be lower than the ministry's forecast because of sluggish demand due to the cool summer, the yen's appreciation, dull income growth and a drop in production during the holiday season.

Sakura Bank estimated that a 1.6 percent drop would put the August index at the same level as in May, when the

index hit the lowest point seen during the current economic slowdown, or even lower if the index sinks 1.7 percent.

Many economists are keeping an eye on whether August inventories will be reported to have headed downward again after posting three consecutive monthly gains. They expect that production May continue to be sluggish for the time being if inventory adjustment remains at a standstill.

### **UN Chief Butrus-Ghali To Visit Tokyo in December**

*OW2809030993 Tokyo KYODO in English 0106 GMT 28 Sep 93*

[Text] New York, Sept. 27 KYODO—United Nations Secretary General Butrus Butrus-Ghali told Prime Minister Morihiro Hosokawa on Monday [27 September] he plans to visit Japan in December for the second time in 10 months, Japanese officials said. They said Butrus-Ghali hailed Japan's decision to contribute 200 million dollars toward Palestinian self-rule. The officials speculated that Butrus-Ghali's talks with Hosokawa and other Japanese leaders in Tokyo will deal with restructuring of the United Nations Security Council and other U.N. reforms, and efforts to strengthen Japan-U.N. relations. Butrus-Ghali previously visited Japan in February.

### **Hata on PRC's Possibly Resuming Nuclear Tests**

*OW2809234493 Tokyo KYODO in English 2315 GMT 28 Sep 93*

[Text] New York, Sept. 28 KYODO—Japan's Foreign Minister Tsutomu Hata told China Tuesday [28 September] of Japan's concern over suspected Chinese plans to resume nuclear testing but drew no clear-cut response concerning Chinese intentions in a meeting with Chinese Foreign Minister Qian Qichen.

Japanese officials told reporters after the meeting Tuesday that Hata urged the Chinese to "show restraint" on nuclear testing but Qian made no clear response. Hata and Qian are in New York for the annual United Nations General Assembly session.

U.S. officials have said intelligence evidence shows China is making preparations for an underground nuclear blast. President Bill Clinton raised the issue again in a speech to the United Nations Monday, saying there are "disturbing signs" of a likely nuclear test in China.

China, which last conducted an underground test in September last year, has maintained that it has all along shown restraint on nuclear tests, arguing that it has carried out the least number of blasts among the nuclear powers. In his meeting with Hata Tuesday, Qian reiterated the Chinese policy but did not directly address current international concerns about its nuclear program, Japanese officials said.

Japanese officials said Hata also voiced concern about the suspected Chinese transfer of missile technology to Pakistan and urged the Chinese to abide by the Missile Technology Control Regime (MTCR), an international pact designed to curb the transfer of missile know-how to Third World countries.

The United States imposed economic sanctions against China last month, accusing it of selling missile components to Pakistan in violation of MTCR guidelines.

Qian told Hata China is ready to settle its differences with the United States through talks with Washington, Japanese officials said.

Qian is scheduled to meet with U.S. Secretary of State Warren Christopher in New York on Thursday. China is not a signatory to the MTCR agreement, but promised last year to abide by its guidelines.

Hata and Qian also discussed security issues in the Korean peninsula during their hour-long meeting, with both expressing concern over North Korea's suspected nuclear weapons program, Japanese officials said.

On bilateral relations, Qian asked for continued Japanese cooperation in China's economic development while Hata called on China to work together with Japan on global issues.

Japanese officials said Japan hopes to work with China on global environment issues, arms control and regional Asia-Pacific affairs.

The meeting Tuesday was the first high-level contact held between the new coalition government in Tokyo and the Chinese Government.

Hata underscored the importance of Sino-Japanese ties under the new Japanese Government and renewed a Japanese invitation for China's President Jiang Zemin to visit Japan, Japanese officials said. Hata also said he hopes to visit China at an early date, possibly before the end of the year.

### **PRC Film Festival Delegates Depart 'in Protest'**

*OW2909122393 Tokyo KYODO in English 1159 GMT 29 Sep 93*

[Text] Tokyo, Sept. 29 KYODO—The Chinese delegation to the Tokyo International Film Festival left for home Wednesday [29 September] apparently in protest against the refusal by organizers to pull the plug on two unofficial Chinese movies. Zhang Xingyuan, director of external affairs for the Radio, Film and Television Ministry's Film Bureau, boarded a flight to Beijing shortly before noon.

Zhang had asked festival organizers to cancel "The Blue Kite" and "Beijing Bastards" scheduled to be screened Saturday. Organizers refused the request.

Zhang told KYODO NEWS SERVICE on Tuesday that the Beijing film studio owns the copyright to "The Blue

"Kite" and did not give permission for it to be shown. He contended that "Beijing Bastards" was illegally made and therefore does not have permission to be shown either in China or overseas.

"The Blue Kite," directed by China's acclaimed "fifth generation" director Tian Zhuangzhuang, is entered in the international competition. "Beijing Bastards," directed by Zhang Yuan, was entered by Hong Kong and is showing in the best of Asian films section.

Both Tian and Zhang Yuan are scheduled to make personal appearances at the festival, organizers said.

### Hata on Renewing Call for Return of Kurils

OW2909103893 Tokyo KYODO in English 0959 GMT  
29 Sep 93

[Text] New York, Sept. 28 KYODO—Japan will renew its call for the return of four Russian-held islands in talks with President Boris Yeltsin who is scheduled to visit Japan for a few days starting October 12. Foreign Minister Tsutomu Hata said here Tuesday [28 September].

Hata told reporters, "We will candidly tell him our basic stand on ownership of the northern territories," referring to the Russian-held islands of Etorofu, Kunashiri, Shikotan and the Habomai group. The former Soviet Union seized the islands at the end of World War II.

Hata said Japan bases its claim on outcomes of past negotiations with Russia and the former Soviet Union, including the 1956 Japan-Soviet Union joint declaration. The 1956 declaration which restored diplomatic relations between Japan and the former Soviet Union includes Moscow's promise to return two smaller islands of the four, Shikotan and the Habomais, after a bilateral peace treaty is concluded.

Hata suggested that Japan will not insist on confirmation of the 1956 agreement in a joint declaration to be issued during Yeltsin's visit. Hata said Japan will reach a decision on the matter once Yeltsin arrives.

The foreign minister said bilateral discussions will center on Russia's obligations in taking over international treaties and agreements signed by the former Soviet Union. Hata said that if Russia accepts Japan's stand on the 1956 agreement it will be tantamount to admitting that Russia should hand back the islands.

On Monday, a top Foreign Ministry official, speaking on condition of anonymity, said that Japan will not insist on confirmation, adding that it is needless to say that the joint declaration inevitably is valid.

In a meeting in New York over the weekend, Hata and Russian Foreign Minister Andrey Kozyrev agreed on October 12 as the date for Yeltsin's arrival in Japan. Japanese Government sources said Monday that Yeltsin will stay in Japan for four days.

Yeltsin will have several rounds of talks with Prime Minister Morihiro Hosokawa and hopes to deliver a speech before the Diet at the plenary session of the House of Representatives on the second or third day of his visit, the sources said.

### Foreign Ministry Supports Georgia's Shevardnadze

OW2909120193 Tokyo KYODO in English 0913 GMT  
29 Sep 93

[Text] Tokyo, Sept. 29 KYODO—Japan on Wednesday [29 September] voiced concern over the situation in Georgia where Abkhazian separatist forces captured the city of Sukhumi earlier this week. In a statement, the Foreign Ministry called for an early solution of the 13-month-old conflict between Georgian and Abkhazian forces within the framework of a July 27 cease-fire agreement among Russia, Georgia and Abkhazia.

Russia has officially remained neutral in the conflict but the Georgian Government has accused the Russian military of providing aid, including arms, to Abkhazian separatists.

The statement said Japan supports efforts by Georgian Head of State Eduard Shevardnadze for a peaceful solution of the dispute, and called on "concerned countries" to ensure his safety.

Abkhazian fighters broke the truce on September 16 and captured Sukhumi on Monday in one of the fiercest battles since the conflict began. Shevardnadze escaped from the city following its capture and returned to his headquarters in Tbilisi on Tuesday.

### Red Cross Sends Medicine, Milk to Khabarovsk

OW2809063793 Tokyo KYODO in English 0049 GMT  
28 Sep 93

[Text] Narita, Chiba Pref., Sept. 28 KYODO—A plane chartered by the Japanese Red Cross Society left Narita Airport on Tuesday [28 September] with medicine and powdered milk for hospitals and welfare facilities in the Russian Far East city of Khabarovsk. The shipment of 5.4 tons of medicine and 5.3 tons of powdered milk is part of the society's program for the year to assist 15 Russian Far East provinces and four Central Asian republics formerly in the Soviet Union.

The Japanese Government contributed 5.95 billion yen to the program, society officials said. The society has extended aid since 1991 to Russia and other former Soviet republics where health care and food supplies have deteriorated due to economic disruption.

Under the annual project, the society will send 1,500 tons of drugs and medical instruments to 1,253 pediatric, obstetric, gynecological and psychiatric hospitals. The medicine to be sent will be equivalent to about 75 percent of the hospitals' needs in a year, the officials said.

It is also planned to give 2,880 tons of dry milk in the year to orphanages and milk distribution centers, they said.

Nearly 50 reporters from Japanese and foreign news organizations were on board the flight to witness the distribution of the aid. The Japanese Red Cross invited the reporters to come along because there have been rumors that much of the foreign aid is sold on the black market. The supplies are distributed through a panel made up of representatives of local administrations and the Red Cross, the officials said.

### **Iran Rejects Plea To Embrace Mideast Accord**

*OW2909011993 Tokyo KYODO in English 0100 GMT  
29 Sep 93*

[Text] New York, Sept. 28 KYODO—Iranian Foreign Minister Ali Akbar Velayati on Tuesday [28 September] rejected Japan's plea for Iran to embrace the peace accord between Israel and the Palestine Liberation Organization (PLO), saying the PLO no longer represents Palestinian interests.

Japanese Foreign Minister Tsutomu Hata sought to change the Iranian position in a meeting with Velayati, Japanese officials said. Hata urged Iran to drop its opposition to the accord concluded earlier this month between Israel and the PLO to avoid being shunned in the world community.

Hata noted the United States and other Western countries have been increasingly wary of Iran over its role on weapons of mass destruction and alleged Iranian support for international terrorism, the officials said.

Velayati retorted that international criticism of Iran is off the mark and urged Japan to take its own stand, instead of being influenced by some Western powers, the officials said. Velayati said Iran wants to maintain good relations with Japan and extended an invitation for Hata to visit the country.

Hata expressed appreciation for the invitation but made no immediate commitment, citing a heavy schedule.

### **Egypt Seeks Assistance in Mideast Peace Effort**

*OW2809232993 Tokyo KYODO in English 2309 GMT  
28 Sep 93*

[Text] New York, Sept. 28 KYODO—Egyptian Foreign Minister 'Amr Musa on Tuesday [28 September] requested Japan's help to encourage acceptance of the peace accord between Israel and the Palestine Liberation Organization among countries opposed to the pact. Japanese officials said Musa made the plea in a bilateral meeting with Finance Minister Tsutomu Hata.

Musa also told Hata Egypt backs Japan's permanent membership of the United Nations Security Council and urged Japan to play a more active role in international affairs, the officials said.

Egypt welcomes Japan's use of its influence in persuading countries opposed to the Israel-Palestinian accord to drop their opposition, Musa was quoted as telling Hata. Musa also promised to reset the date for Egyptian President Muhammad Husni Mubarak's planned visit to Japan through talks between officials of the two countries, Japanese officials said.

Japanese and Egyptian officials had previously scheduled the trip for November, but Mubarak will likely be unable to make it because of domestic schedule commitments, Japanese officials said.

### **Kuwait Seeks Tokyo's Help Over War Settlement**

*OW2709051593 Tokyo KYODO in English 0308 GMT  
27 Sep 93*

[Text] Tokyo, Sept. 27 KYODO—The head of Kuwait's parliament on Monday called on Japan to further support his country in its efforts to win back prisoners of war from Iraq and settle their border, a Japanese Foreign Ministry official said.

Ahmad 'Abd-al-'Aziz al-Sad'un, speaker of Kuwait's National Assembly, made the pitch when he paid a courtesy call on Chief Cabinet Secretary Masayoshi Takemura at the prime minister's official residence.

Takemura, the top government spokesman, is serving as acting premier while Prime Minister Morihiro Hosokawa is visiting the United States to attend the United Nations General Assembly.

Al-Sad'un thanked Japan for its support of Kuwait during the 1991 Persian Gulf War, in which U.S.-led multinational forces drove Iraqi forces out of Kuwait, and said it strengthened Kuwait-Japan ties, the official said in a briefing.

Al-Sad'un voiced hope Japan will continue to back Kuwait in its efforts to recover about 600 Kuwaitis held captive by Iraq since the war and decide on a border.

Takemura is reported to have responded that Japan respects Kuwait for its resolute resistance against Iraqi invasion, and will support Kuwait's efforts in settlement of the war and related U.N. resolutions.

Al-Sad'un, who arrived in Japan on Friday for a five-day stay, met Takemura before having talks with Takako Doi, speaker of the House of Representatives.

### **Tokyo Helps Create Fund for South Asian Countries**

*OW2709235693 Tokyo KYODO in English 2248 GMT  
27 Sep 93*

[Text] Kathmandu, Sept. 28 KYODO—Japan and a grouping of South Asian countries have finalized a special fund to finance selected activities of the group and "intellectual exchange."

About one-third of the 300,000 dollar fund for 1993-1994 will go to various training programs, including the Youth Volunteers Program in Nepal and the Maldives of the South Asian Association for Regional Cooperation (SAARC). The money will also be used for a study of transport infrastructure of SAARC countries to formulate viable proposals for improvement, a press release the association's secretariat said.

Letters authorizing the SAARC-Japan special fund were signed and exchanged on Monday by SAARC Secretary General Ibrahim Hussain Zaki and Japanese Ambassador to Nepal Chuichi Ito. At the signing ceremony, Ito said Japan believes that promotion of SAARC activities will contribute to peace, stability and development of South Asia. He expressed the hope that the fund and other financing will help expand SAARC activities.

SAARC, set up in 1985, groups Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka.

### **U.S. Firm's Chief on Winning Supercomputer Orders**

*OW2809082193 Tokyo KYODO in English 0738 GMT  
28 Sep 93*

[Text] Tokyo, Sept. 28 KYODO—The head of U.S. supercomputer manufacturer Cray Research Inc.'s Japanese subsidiary expressed hope Tuesday [28 September] for winning supercomputer orders from the Japanese Government.

Yoshikazu Hori, president of Cray Research Japan Ltd., told a press conference that his company hopes to win orders for four or five supercomputers out of 11 such machines for which the government plans to hold a tender. The government plans to buy the machines, used in large-scale scientific calculations, under the fiscal 1993 supplementary budget. Hori also praised the Japanese Government for easing restrictions on foreign participation in the tender.

Washington has criticized past Japanese tenders for supercomputers for excluding U.S. manufacturers.

### **Miyagi Governor Arrested for Construction Bribery**

*OW2709141893 Tokyo KYODO in English 1405 GMT  
27 Sep 93*

[Text] Tokyo, Sept. 27 KYODO—Prosecutors Monday [27 September] night arrested Miyagi Governor Shuntaro Honma for allegedly receiving money from a major construction contractor in connection with a prefectoral public works project. The arrest of Honma is part of a wider investigation into a series of alleged bribery cases involving payments from major construction companies to top public officials. The prosecutors said Honma allegedly received 20 million yen in January this year from Taisei Corp. in connection with a project to build a cancer center, they said.

Also arrested were two Taisei Corp. executives and a leader of the prefectoral headquarters of the Liberal Democratic Party.

Honma is the second governor nabbed in connection with the contractor scandal after Ibaraki Governor Fujio Takeuchi was arrested in July.

### **LDP Hints at Cooperation With Shinseito**

*OW2509091793 Tokyo KYODO in English 0848 GMT  
25 Sep 93*

[Text] Utsunomiya, Sept. 25 KYODO—Michio Watanabe, a senior member of the opposition Liberal Democratic Party (LDP), indicated Saturday [25 September] he may cooperate with the breakaway party Shinseito (Japan Renewal Party), a major force in the seven-party coalition government of Prime Minister Morihiro Hosokawa.

"Time surely comes around that parties sharing close ideas cooperate each other," Watanabe, a former foreign minister, told reporters. The remark indicated that in the future he could forge ties with Shinseito, which is led by Foreign Minister Tsutomu Hata.

Watanabe, head of the LDP's third largest faction, also said a plan aimed at forming an interparty group to study Japan's economic problems that would include Shinseito is under way.

"A study group on only economic issues will be ok," he said. "The acting period will be one year (after drawing up the fiscal 1994 budget in December)."

Watanabe said the forum aims to encourage the government to deal with its financial and economic policies. He indicated the group might discuss problems of increasing consumption tax and liberalizing the rice market.

Watanabe said even if the LDP opposes the forum, he would as a private citizen take part in the group.

### **Shinseito Official on Fielding Common Candidates**

*OW2709121793 Tokyo KYODO in English 1106 GMT  
27 Sep 93*

[Text] Tokyo, Sept. 27 KYODO—A top aide to Shinseito co-leader Ichiro Ozawa said Monday [27 September] the Liberal Democratic Party (LDP) will secure a "landslide victory" in the next general election unless the Socialists drop objections to a proposal to pit common coalition candidates against the LDP under the proposed electoral system.

"Ruling coalition partners would certainly suffer a large-scale electoral setback and the LDP win a landslide victory unless five parties comprising the coalition government agreed to cooperate in fielding common candidates in single-seat districts," former Trade Minister Kozo Watanabe told a lecture meeting in Tokyo.

The five parties are Shinseito, Komeito, the Social Democratic Party (SDP), the Democratic Socialist Party (DSP) and the Sakigake-Japan New Party alliance, he said.

Watanabe, an ex-LDP rebel and one of the seven leaders of the now-defunct Takeshita faction, was responding to a question on how Shinseito would deal with the SDP's self-proclaimed reluctance to cooperate in fielding common candidates in some constituencies. He suggested coalition partners would not allow Prime Minister Morihiro Hosokawa to call a general election unless the partners first secured a vow from the SDP to cooperate in pitting common candidates against the LDP. He said Hosokawa would be able to dissolve the House of Representatives only after securing assurances that the coalition parties would cooperate in fielding common candidates in single-seat constituencies.

Hosokawa has pledged to stake his political life on an avowed parliamentary passage of a set of four political and electoral reform bills.

Newly elected SDP chairman Tomiichi Murayama said his party would field its own candidates under SDP banner in an unspecified number of constituencies out of proposed 250 single-seat districts, while "cooperating in constituencies where we could cooperate in fielding common candidates."

Hosokawa's bill to introduce a combination of single-seat districts and proportional representation is widely expected to be enacted due to a majority of seats held by the coalition parties in both chambers of the Diet.

Watanabe said it would be stupid for coalition politicians to call a general election with the strong likelihood of defeat at the hands of the LDP.

The group within the SDP against the proposed electoral reform and many SDP legislators say they fear the proposed electoral system would risk pushing the party to near-extinction unless the Socialists secured a coalition accord to field many SDP candidates in single-seat districts.

### Ozawa Discusses Political, Economic Reforms

OW2509034293

[Editorial Report] Tokyo FNN Television Network in Japanese at 2230 GMT on 18 September carries, during its weekly "News 2001" program, an interview with Ichiro Ozawa, representative secretary of Shinseito [Japan Renewal Party].

This special program was scheduled to last 90 minutes, but the local television station in Okinawa relayed only the first 56 minutes.

The program is moderated by newscasters Yuji Kuroiwa and Kaori Matsuyama and is attended by its regular guests, Kenichi Takemura, a freelance commentator, and Yoshiaki Kobayashi, Keio University professor.

The interview begins at 2231 GMT with a brief discussion of books Ozawa has recently published.

Asked how he assesses the one-month-old Hosokawa cabinet, Ozawa says: "A change of political power itself is a political reform. In this sense, I think the inauguration of the Hosokawa cabinet was the first step in political reform. Therefore, I think it was a turning point in the history of Japanese politics."

After reviewing arguments for and against Ozawa's visions explained in his book on reforming Japan, Kuroiwa asks Ozawa what he thinks of the high support rate the Hosokawa administration is enjoying. In response, Ozawa says: "Hosokawa clearly said he would resign if bills related to political reform were not approved. None of the former prime ministers from the Liberal Democratic Party [LDP] ever said that. I think this is an ideal method of politics. Hosokawa said this clearly and candidly. This is the main difference between Hosokawa and the former prime ministers and this left the people with a positive impression."

In response to Kuroiwa's question on why election system reform is necessary, Ozawa explains: "It is likely that the situation where no party can secure a stable majority will continue under the current medium-sized precinct system. This means the coalition's foundation will remain weak under the current system." He continues to explain the need to form two major parties. Then Kuroiwa asks if the ruling coalition will become the second major party to compete with the LDP. Ozawa says: "I do not think it will be simply a non-LDP force against the LDP. I have a feeling that various reorganizations, or shall I say meetings and partings, will be made by going beyond the framework of the already existing political parties."

At 2259 GMT, Matsuyama points out that some people think Ozawa is a nationalist or a person who advocates the idea that Japan should become a superpower. Ozawa says he is neither a nationalist nor supports superpower chauvinism. He adds: "The Japanese people's wish is to enjoy peaceful and affluent life for many years to come. The goal of politics is to maintain such an affluent lifestyle and hand it over to subsequent generations. To a nation, affluence means economic superpower. To maintain this affluent lifestyle, we, as a nation, need to do work with people of other countries, cooperate with other countries, and fulfill our responsibilities in the international community. I am merely saying we can become an economic superpower, meaning that we can maintain an affluent lifestyle, by doing these things." He adds: "The Japanese society of the past has been built completely on regulations. It was a society of socialism. So far, it has worked well. But, the situation will be different. More importance should be given to individual differences, ideas, freedom, and choice."

At 2405 GMT, Matsuyama asks Ozawa if he will join forces with some LDP members who share ideas and beliefs with Ozawa. In response, Ozawa says: "As I said

earlier, I do not think the political parties will be reorganized into LDP and non-LDP forces. Nobody knows if some of the eight parties and groups of the non-LDP coalition will form a major party. It is not certain if the LDP itself will remain as one party. I have a feeling that all of these things will happen at the same time because there are different groups of people who have different ideas on both sides."

After discussing different possible scenarios of political party reorganization, Ozawa rules out the possibility of dissolving the Hosokawa cabinet and holding a general election immediately after approving political reform bills. However, he says it might be done sometime next fall.

Asked to explain his pet theme of reforming Japan's political and economic systems to recover from the current economic stagnation, Ozawa says: "This can be said to be both politics and economy. The patterns of the past have come to a deadlock. In other words, Japan has been repeating the same cycle since the Meiji era. Japan has no capital reserves. It has been trying to catch up with other countries. Business owners have been repeating the cycle of borrowing money to expand their businesses. The entire Japanese economy was built on the basis of precarious day-to-day management. Therefore, the Japanese economy had to keep growing. However, it has become impossible for us to make further quantitative economic expansion. The Japanese people have everything they need and markets abroad are flooded with goods. We are in business stagnation because Japanese companies are operating at half capacity. Since Japanese society has matured, we have to change our economic system. To enjoy an affluent lifestyle, we need to produce high-value-added goods and services." He concludes that a fundamental treatment is needed because the current economic stagnation, unlike the recessions of the past, was caused mainly by structural problems. He also points out the need to ease government regulations as a means to activate the economy.

The local station stops relaying the program at 2326 GMT.

### New Airport Terminal Building Begins Operation

OW2709024693 Tokyo KYODO in English 0056 GMT  
27 Sep 93

[Text] Tokyo, Sept. 27 KYODO—A spacious new terminal building three times the size of the old one went into operation for domestic flights at Tokyo's Haneda Airport on Monday. After an opening ceremony was held at 6 a.m., the first passengers went through boarding procedures for three domestic flights in the new facility and boarded their planes shortly before 7 a.m.

The building with six stories above and one beneath ground level has a total floor space of 291,500 square meters. The new terminal has the appearance of a luxurious hotel, with a six-floor atrium in the main hall

and a fountain playing. The arrival gate is on the first floor and departure is from the second floor. A new 78-meter-high control tower also started operation at the airport on the day.

Passengers for the few international flights at Haneda Airport will keep on using the old terminal building. The new terminal is two kilometers further from central Tokyo than the old one, but five kilometers further by monorail.

The new facility is part of a plan to move the whole of Haneda Airport nearer to Tokyo Bay and away from business and residential areas so as to expand its transportation capacity and alleviate noise nuisance.

### NAFTA To Benefit Toyota Engine Plant in Canada

OW2709085593 Tokyo KYODO in English 0721 GMT  
27 Sep 93

[Text] Nagoya, Sept. 27 KYODO—The Canadian car production subsidiary of Toyota Motor Corp. will build an engine assembly plant, starting next spring. Toyota officials said Monday [27 September]. Toyota Motor Manufacturing Canada Inc. of Ontario will invest 30 million Canadian dollars, or about 2.5 billion yen, in the plant, the officials said.

They said the plant is intended to increase the local content ratio in the Canadian car production venture to meet tariff exemption requirements for automobiles under the North American Free Trade Agreement, which is scheduled to take effect in 1994. It is also designed to deal with a rise in the production cost stemming from the yen's surge on the foreign exchange market, the officials said. The subsidiary currently imports engines from Japan.

Starting in late 1995, the plant is scheduled to annually manufacture 80,000 engines, with 1,600 and 1,800 cc displacements, for Toyota Corolla models.

### Nissan Sells Asian Models in Taiwan, Thailand

OW2709125293 Tokyo KYODO in English 1025 GMT  
27 Sep 93

[Text] Tokyo, Sept. 27 KYODO—Nissan Motor Co. said Monday [27 September] it began marketing cars developed exclusively for Asia in Taiwan and Thailand. Japan's auto giant plans to start assembling the model, called "Ad Resort," in Malaysia by the end of this year and in the Philippines next summer. Ad Resort, based on the company's Sunny wagon models shipped to Europe, has wagon and pickup-truck types.

Nissan plan to sell a combined 35,000 models in Asia in 1995. Nissan began first selling the wagon in Thailand and Taiwan for 1.45 million to 1.8 million yen. The company will procure parts in the Association of Southeast Asian Nations (ASEAN) as the member nations have agreed to procure parts from one another, they said.

**TV Broadcasts Resume as Satellite Trouble Fixed**

*OW2809054393 Tokyo KYODO in English 0247 GMT  
28 Sep 93*

[Text] Tokyo, Sept. 28 KYODO—A communications satellite resumed operations Tuesday morning [28 September] after breaking down Monday, allowing interrupted commercial television broadcasts in Japan to be resumed, Space Communications Corp. reported. The Tokyo-based satellite operator said the trouble occurred in the attitude control system of its Superbird B satellite, causing a disruption in some television broadcasts. The satellite, launched in 1992, serves a number of private Japanese broadcasters, including Japan Cable Television Ltd., which features the CNN News.

**North Korea****Further on Japan's 'Smear Campaign' Over Missiles**

*SK2909044793 Pyongyang KCNA in English 0425  
GMT 29 Sep 93*

[“NODONG SINMUN on Japanese Authorities’ Provocative Acts Against DPRK’s Missile Launching Exercise”—KCNA headline]

[Text] Pyongyang, September 29 (KCNA)—Japan must look straight at the situation and stop acting rashly, warns a NODONG SINMUN analyst today, commenting on Japan’s persistent smear campaign against the DPRK over her some time ago missile launching exercise.

Japan cannot be justified in taking issue with the DPRK’s regular missile launching exercises, the news analyst says, and goes on:

Japan keeps stationing in her territory huge armed forces targeted against the DPRK, deploying a large number of the latest-type offensive weapons including sophisticated missiles and are hastening her nuclear armament. It is only too natural for the DPRK to increase its self-reliant defence capabilities including self-defensive missile exercises under such conditions. This is a matter entirely pertaining to its sovereignty.

In spreading the rumor of the DPRK’s “nuclear threat”, “missile threat” by adding the “missile issue” to the “nuclear problem” Japan seeks to round off her preparations to become a military power and nuclear armament at any cost and, furthermore, to aim the arrows of aggression at the DPRK on that pretext.

It is a gross mistake if Japan thinks she can do whatever she intended to.

Japan must know clearly that the DPRK has never said an empty word. Japan must not doubt the Korean people’s iron will never to tolerate those trying to provoke them.

**Movement for Reunification Conducted Worldwide**

*SK2509052493 Pyongyang KCNA in English 0427  
GMT 25 Sep 93*

[Text] Pyongyang, September 25 (KCNA)—The International Solidarity Movement for supporting the Korean people’s cause of national reunification is being conducted in different countries.

The International Solidarity Movement has surged into a high tide on a world-wide scale after the International Liaison Committee for the Reunification and Peace of Korea held an enlarged meeting of its Executive Committee in Paris in January last and declared 1993 as a year of international solidarity with the Korean people’s cause of national reunification.

According to data available, as of the end of August gatherings, demonstrations, seminars, lectures, film shows, meetings, signature campaigns and other functions were held in over 100 countries and regions of five continents including Cuba, Pakistan, Nepal, India, Mozambique, Tanzania, Guinea, Zimbabwe, Libya, Bulgaria, Austria, Nicaragua and Peru.

At functions party leaders, heads of government, chairmen of parliament and other political and public figures, men of the press, progressive parties and organizations unanimously said that the proposal for reunification by means of confederacy advanced by the great leader President Kim Il-song is the most realistic and fair and aboveboard program that helps put an end to the division of Korea by the outside forces and realize the desire of the Korean people for reunification.

They called for actively striving to hasten the birth of an independent, peaceful, neutral and reunified Korea as early as possible.

Reporter and speakers at a seminar on the proposal for founding the Democratic Confederal Republic of Koryo held in Dar Es Salaam stressed that the proposal to realize the reunification of Korea by means of confederacy is a chapter for reunification carrying the warm compatriotic appeal of the entire Korean nation and the most reasonable one acceptable to the North and the South.

Participants in a world conference supporting the Korean people’s cause of peace, security, sovereignty and reunification held in Lisbon strongly demanded that the South Korean authorities drop the habit of depending on outside forces and positively accede to the proposal for reunification by means of confederacy.

Meanwhile, signature campaigns for supporting the Korean people’s cause of national reunification and demanding the denuclearization of the Korean peninsula were conducted in different countries.

Participating in signature campaigns were the general secretaries of the Socialist Party, Communist Party and Revolutionary Socialist Party of Peru, leading officials of

political parties and public organizations and 1,595,000 people of different strata in Peru and more than one million people in Mozambique and 13 million members of the trade unions international of the food industry, tobacco, hotel and allied workers.

The International Solidarity Movement for the Korean people shows that the progressive people of the world are standing firm on the side of the Korean people who are striving to realize the independent and peaceful reunification of the country.

#### Foreign Leaders on DPRK Reunification Proposal

SK2809114493 Pyongyang KCNA in English 1026  
GMT 28 Sep 93

[Text] Pyongyang, September 28 (KCNA)—Foreign party and state leaders expressed full support and solidarity for the DPRK's proposal of national reunification when they met with Korean ambassadors.

Sultan Azlan Shah, King of Malaysia, said he welcomes all efforts of the DPRK to achieve a peaceful reunification of Korea through negotiation.

Expressing the belief that the friendly and cooperative relations between the two countries would further strengthen and develop, the king said he was satisfied that the two countries, both members of the United Nations and non-alignment, have the same desire and view to consolidate regional peace and security.

Manandafy Rakotonirina, chairman of the Progressive Militant of Madagascar, highly estimated the achievements made by the Korean people in the efforts for the prosperity of the country under the wise guidance of the Workers' Party of Korea. "We support the Korean people in their efforts for the independent and peaceful reunification of the country," he said.

Silvestre Siale Bileka, prime minister of Equatorial Guinea, voiced full support to the reasonable measures and patient efforts of the DPRK to solve all problems in a peaceful way through talks with the United States. "We hope for affirmative results in the future DPRK-U.S. talks," he added.

#### 'Working Russia' Official Praises Korean People

SK2709125093 Pyongyang KCNA in English 1015  
GMT 27 Sep 93

[Text] Pyongyang, September 27 (KCNA)—"Seeing a military parade and a mass demonstration celebrating the 40th anniversary of the war victory in Korea, I confirmed that any move of the imperialists will fail before the Korean people," said V.I. Anpilov, chairman of the executive committee of the "Working Russia" movement and secretary of the C.C. [Central Committee], Russian Communist Workers' Party, who had visited Korea.

He said he felt that the Korean people under the wise guidance of Comrade Kim Il-song and Comrade Kim Chong-il, the tested leaders, have strength enough to smash any provocation move and threat and blackmail of the enemy.

"The present realities of the DPRK practically show to all of us," he said, "that the independence of the country is sure to be consolidated if people maintain independence in firm unity as one."

#### PRC Cultural Delegation Departs Pyongyang

SK2909023393 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 27 Sep 93

[Text] A Chinese Government culture delegation led by Culture Minister Liu Zhongde left Pyongyang by plane on 27 September.

The delegation was seen off at the airport by First Vice Minister Ho Paek-san, Vice Minister Kim Chong-ho of culture and arts, and Qiao Zonghuai, PRC ambassador to our country.

In the meantime, a Communist Party of China [CPC] friendship visiting group led by Ding Fengying, member of the Central Commission for Discipline Inspection of the CPC and secretary of the Hubei Provincial Commission for Discipline Inspection, arrived in Pyongyang by plane on 27 September.

A (?State Bureau for Literature) delegation led by deputy director (Tian Chengyang) also left Pyongyang by plane on 27 September.

#### PRC Consulate General Hosts Anniversary Reception

SK2909051093 Pyongyang KCNA in English 0407  
GMT 29 Sep 93

[Text] Pyongyang, September 29 (KCNA)—The Chinese Consulate General in Chongjin hosted a film show and reception Tuesday on the 44th founding anniversary of the People's Republic of China.

Korean officials concerned were invited there.

Present there were the Chinese Consul-General and officials of the Consulate General and Chinese guests staying in Chongjin.

#### Pakistani Union Leader Gives Impressions of DPRK

SK2509115593 Pyongyang KCNA in English 1012  
GMT 25 Sep 93

[Text] Pyongyang, September 25 (KCNA)—General secretary of the Pakistan Labour Federation Haji Mohammad Saeed, giving his impressions of Korea, said he deeply felt that Korea is an independent country with a powerful national economy.

In a press interview prior to his departure for home, he said that with the independent national economy the Korean people are successfully building socialism with their own technologies and raw and other materials, not affected by any economic fluctuation and pressure.

He noted that the Korean people enjoy all rights as masters of the state and society and everyone is leading an independent and creative life to his heart's content without any worry about medical treatment and education.

He said the Korean people owe their admirable achievements in socialist economic construction entirely to the wise guidance of the leader.

The Korean people are registering tremendous successes in socialist construction with every passing day with great happiness, national pride and honor of living under the guidance of the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il who have established the excellent social system, he said.

#### **Brazilian Democratic Movement Leaders Greeted**

SK2409084093 Pyongyang KCNA in English 0424  
GMT 24 Sep 93

[Text] Pyongyang, September 24 (KCNA)—The Central Committee of the Workers' Party of Korea on September 20 sent a congratulatory message to Luis Henrique and Tarcisio Delegado upon their respective election as chairman and secretary general of the Brazilian Democratic Movement.

The message expressed the belief that the friendly relations between the two parties would grow stronger and develop in the future and wished them great success in their work for defending the sovereignty of the country and attaining a democratic development of the society.

#### **WPK Sends Greetings to Jamaica's Patterson**

SK2509054893 Pyongyang KCNA in English 0434  
GMT 25 Sep 93

[Text] Pyongyang, September 25 (KCNA)—The Central Committee of the Workers' Party of Korea on September 23 sent a message of greetings to P.J. Patterson upon his reelection as president of the People's National Party of Jamaica.

The message expressed the belief that the friendly relations between the two parties would further develop in the interests of the two parties and two peoples and wished him and his party greater success in their work for implementing the resolution of the 55th annual convention of the party.

#### **Anniversary of Relations With Algeria Noted**

SK2509120093 Pyongyang KCNA in English 1025  
GMT 25 Sep 93

[“35th Anniversary of Establishment of Korea-Algeria Diplomatic Relations Observed”—KCNA headline]

[Text] Pyongyang, September 25 (KCNA)—Papers here today observe the 35th anniversary of the opening of diplomatic relations at ambassadorial level between Korea and Algeria.

The establishment of diplomatic relations reflected the common aspiration and desire of the two peoples and it marked an important occasion in the development of friendly and cooperative relations between the two countries, NODONG SINMUN in a by-lined article says, and goes on:

Today the Algerian people are striving to build a rich and strong country with their own strength and wisdom.

To strengthen and develop Korea-Algeria friendship is the invariable stand of the Korean people.

The Korean people will as ever make strenuous efforts to strengthen and develop the friendly and cooperative relations with the Algerian people.

A MINJU CHOSON article says the Korean people wish the Algerian people greater success in their struggle, believing that the friendly relations between the two peoples would further strengthen and develop in the common struggle for independence, peace and friendship.

#### **Parliamentary Delegation Returns From Australia**

SK2709015893 Pyongyang Korean Central  
Broadcasting Network in Korean 1300 GMT 25 Sep 93

[Text] The DPRK Parliamentary Group Commission's delegation led by Yi Mong-ho, vice chairman of the Parliamentary Group Commission and secretary of the Supreme People's Assembly [SPA], returned home by plane on 25 September after attending the 90th General Meeting of the International Parliamentary Union held in Australia.

Yi Chun-sik, vice director of the Secretariat of the SPA Standing Committee, received the delegation at the airport.

#### **Uganda Resistance Movement Official Departs**

SK2709022593 Pyongyang Korean Central  
Broadcasting Network in Korean 1300 GMT 25 Sep 93

[Text] Jotham Tumwesigye, deputy national political commissioner of the secretariat of the National Resistance Movement of Uganda, left Pyongyang by plane on 25 September. Kim Yang-kon, vice director of a department of the Workers Party of Korea Central Committee,

and Kim Chang-su, vice president of the Chuche Idea Academy, saw him off at the airport.

### New Ambassador to Tajikstan Presents Credentials

SK2609125993 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 23 Sep 93

[Text] Pak Chae-pil, our country's new ambassador extraordinary and plenipotentiary, presented credentials to Imamali Rakhmanov, chairman of the Tajik Supreme Soviet, on 17 September.

At the meeting, the ambassador conveyed the greetings from the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il to Chairman Imamali Rakhmanov. Expressing deep gratitude to this, the chairman asked the ambassador to convey his wholehearted greetings to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

Referring to the development of the friendly relations between Tajikistan and the DPRK, the chairman stressed that he supports the Korean people's just cause for national reunification.

### Mozambican Party Leader Receives North's Envoy

SK2709140093 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 25 Sep 93

[Text] Feliciano Gundana, secretary general of the Central Committee of the Mozambique Liberation Front Party, received Yang Ki-nak, our country's ambassador there, on 20 September. At the meeting, the great leader asked the ambassador to convey his wholehearted greetings to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il. Referring to the development of the friendly relations between the Mozambique Liberation Front Party and the Workers Party of Korea [WPK], he said that the WPK has been strengthened and developed into a powerful party under the wise leadership of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il. He said that the Korean people have successfully constructed the Korean-style socialism. He said that he expresses genuine respect to the great leader Comrade Kim Il-song who has wisely led the WPK and the DPRK.

After pointing out that the nuclear issue of the Korean peninsula can be resolved only through the DPRK-U.S. talks, he stressed that the reunification of Korea should be realized by means of confederation and of the 10-point program of great unity of the whole nation that the great leader put forward. He expressed his conviction that the Korean people will achieve a greater success under the wise leadership of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il. He added that he will continue to support the struggle of the WPK and the Korean people. He wholeheartedly

wished the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il long life and good health.

### South Newspapers Disclose SPB Spy Activities

SK2609001793 Pyongyang KCNA in English 1514 GMT 25 Sep 93

[Text] Pyongyang, September 25 (KCNA)—The South Korean newspapers HANGYORE SHINMUN and TONG-A ILBO disclosed the fact that the "Security Planning Board" [SPB] has spied on the activities of reunification movement organizations through a secret agent.

According to them the "SPB" infiltrated a certain Kim into the National Alliance for Democracy and Reunification (Chonguknyonhap) and has systematically got reports from him about the activities of Chonguknyonhap and the Preparatory Committee for the Formation of the South Side's Headquarters of the National Alliance for the Country's Reunification (Pomminnyon).

A special agent of the "SPB", Kim Chu-ho, and others have met with the spy on more than 40 occasions in the past two years and took over materials about meeting of Chonguknyonhap and its resolutions on "National Assembly elections" and "residential elections" and information materials related to the pan-national rally which was being promoted by the Preparatory Committee for the Formation of the South Sides' Headquarters of Pomminnyon. Special agents of the "SPB" gave 30,000-50,000 won to him each time they contacted him.

The unceasing "SPB" surveillance aimed at destroying the reunification movement organizations fully shows that the Kim Jong-sam "regime" advertising "civilian politics" is now allowing the anti-reunification policy of the preceding military fascist "regimes".

### Kim Il-song, Premier Inspect Tomb of Tangun

SK2809044493 Pyongyang KCNA in English 0411 GMT 28 Sep 93

[Text] Pyongyang, September 28 (KCNA)—The great leader President Kim Il-song Monday inspected the Tomb of Tangun situated in Kangdong County, Pyongyang.

Accompanying him were Premier Kang Song-san, Vice Premier Kang Hui-won, Secretary of the C.C. [Central Committee], Workers' Party of Korea Kim Ki-nam, Vice Premier Chang Chol, Chairman of the State Construction Commission Kim Ung-sang, Chief Secretary of the Pyongyang Municipal Party Committee Kang Hyon-su, and historians and other officials concerned.

The Tomb of Tangun, the founder of the Korean nation, is a precious historical site which shows the Korean people's time-honored history spanning 5,000 years and cultural tradition. Recently Tangun's remains and relics

have been discovered by archaeologists in his tomb and a scientific research and analysis of them prove that Tangun really existed.

Seeing the Tomb of Tangun and his remains and relics discovered there, President Kim Il-song said it was of great significance in the history of the Korean nation that Tangun, who was known to be a legendary person until now, has been proved to be a real person. And he gave highly important teachings which will serve as a guideline in the study of Tangun and history of ancient Korea.

Instructing that the Tomb of Tangun, the founder of ancient Korea, should be built well to be handed down to posterity, he indicated concrete tasks and ways of reconstructing the tomb.

President Kim Il-song instructed that the work of unearthing and preserving cultural relics should be carried out well as the historical sites and relics associated with the resourcefulness and talents of our ancestors are of great importance in boosting the national pride and patriotism of people.

### **Kim Chong-il Sends Gift to Palestinian School**

*SK2409050993 Pyongyang KCNA in English 0420  
GMT 24 Sep 93*

[Text] Pyongyang, September 24 (KCNA)—The dear leader Comrade Kim Chong-il sent a gift to the Kuds School of Palestine in Tunis.

A ceremony for conveying the gift took place at the school on September 17.

Present at the ceremony were the director of the Education Department of the Palestine Liberation Organisation [PLO], the deputy director of the presidential office, the deputy principal of the Kuds School, teachers and students including the students of "Kim Chong-il class" of the school and the Korean ambassador to Tunisia and his embassy officials.

The Korean ambassador conveyed the gift of Comrade Kim Chong-il to the school at the ceremony.

The deputy principal of the school said in his speech that the valuable gift sent by the dear leader would be greatly conducive to educating not only the students at the school but also the rising generation to make all efforts for the friendship between Palestine and Korea.

The director of the Education Department of the PLO said the gift of the dear leader is a clear indication of the friendly relations between the two countries developing favourably with every passing day on the basis of intimacy between the great leader President Kim Il-song and President Yasir 'Arafat. He stressed the need for the teachers and students to make an effective use of the precious gift in their studies.

A letter of thanks to Comrade Kim Chong-il was adopted at the ceremony.

### **Kim Chong-il Sends Thanks to Units, Working People**

*SK2509114893 Pyongyang KCNA in English 1009  
GMT 25 Sep 93*

[Text] Pyongyang, September 25 (KCNA)—The dear leader Comrade Kim Chong-il sent thanks to the Korean Revolution Museum, the General Bureau of Western Railways, the Nangnang District party committee in Pyongyang and other units and worker Sok Man-ok of the light labour managerial committee in the small-scale fishery domain of Waudo District, Nampo Municipality who actively helped the armymen in the Kumsong tideland reclamation project.

Speakers at meetings conveying thanks held at these units said that it is a public trait to intensify Army-people relations in our country and that they would highly display the traditional spirit of the unity between the Army and the people and positively contribute to defending and glorifying the socialist system of our style.

Comrade Kim Chong-il sent thanks to the Yongsong District party committee in Pyongyang, Sangwon County party committee, the Academy of Agro-science, Kyonghung Senior Middle School in Pyongyang and many other units and working people who look after the People's Army as their own flesh and blood.

### **Kim Chong-il Sends Birthday Tables to Delegates**

*SK2509014793 Pyongyang Korean Central  
Broadcasting Network in Korean 2200 GMT 24 Sep 93*

[Excerpt] Comrade Kim Chong-il, dear leader of our party and people, sent benevolent birthday tables, including 60th birthday tables, yesterday [24 September] to those delegates of the national material-supply functionaries meeting whose birthdays fell in the period of the meeting.

Reporter Pak Chae-ho of the Korean Central Broadcasting Network interviewed Comrades Om Chae-myong, vice chairman of the Material-Supply Committee; Choe Pyong-son, president of the North Hwanghae Provincial branch of the agency dealing with Koryo medicine materials, under the Koryo Medicine Production General Bureau of the Public Health Ministry; and Kim Chong-kuk, guiding personnel at the Material Section of the 9 August Plant; who have received birthday tables. [passage omitted on recorded portions]

### **Yi In-mo Visits Pongwha Revolutionary Site**

*SK2409112493 Pyongyang KCNA in English 1030  
GMT 24 Sep 93*

[Text] Pyongyang, September 24 (KCNA)—A former war correspondent of the Korean People's Army Yi In-mo, the incarnation of faith and will, recently visited the Pongwha Revolutionary Site.

When he arrived there, officials and lecturers warmly greeted him, presenting him with flowers.

He first laid a bunch of flowers before the bronze statue of Kim Hyong-chik, an outstanding leader of the anti-Japanese national liberation movement of Korea who devoted his whole life to the sacred struggle for the liberation of the country and for the freedom and happiness of the people.

Then, he went round the Myongsin school where Kim Hyong-chik educated the rising generation with the patriotic idea of "aim high", the Ponghwa Revolutionary Museum, his dwelling houses, a shallow well and etc. used by him.

After visiting the Ponghwa Revolutionary Site, Yi said he had got a better understanding of the idea of "aim high" and patriotism of Kim Hyong-chik. This site is associated with the noble intention for the country and the people, he noted.

Yi In-mo also visited the Yi Song unit of the Korean People's Army.

Before the on-the-spot teachings board of the great leader President Kim Il-song, Yi heard an explanation that the respected leader President Kim Il-song and Comrade Kim Chong-il, supreme commander of the Korean People's Army, guided a combat and political training of the soldiers there and showed deep loving care and solicitude for them, and was briefed on the history of the unit.

He saw round barracks and the education room of soldiers who were leading an optimistic, disciplined and clean life with musical instruments and articles for cultural use sent by comrade supreme commander.

He saw a combat training of soldiers and congratulated them on firmly preparing themselves as a-match-for-a-hundred soldiers.

An art performance was given by soldiers in congratulation of his visit to the unit.

Yi wrote in the visitors' book at the end of his visit to the unit:

"I am all the more convinced of victory, seeing you firmly defending the country for our great leader and dear leader. I ask you once again to valiantly fight, ready to die for the country."

#### WPK Letter Congratulates Functionaries Meeting

SK2509134693 Pyongyang Korean Central  
Broadcasting Network in Korean 2300 GMT 21 Sep 93

[Congratulatory message of the Central Committee of the Workers Party of Korea delivered to the national meeting of material-supply functionaries held at Pyongyang's People's Palace of Culture on 21 September—read by announcer]

[Text] A national meeting of material-supply functionaries has opened at a time when all people of the nation are singleheartedly united around the party and the leader, and carrying out the vigorous struggle of bringing about a new upsurge in socialist construction.

The national meeting of material-supply functionaries, opened amid the great expectation and interest of our party and people, is a historic meeting which provides a new turn in the struggle to accelerate socialist economic construction by unstintedly mobilizing the country's potential and implementing the party's revolutionary economic strategy of making an epoch in improving the people's living in a short period of time.

The Central Committee of the Workers Party of Korea [WPK] extends ardent congratulations to the participants of the meeting and all material-supply functionaries in the country who have greatly contributed to developing the national economy by firmly defending the revolutionary outposts assigned by the party while surmounting all sorts of barriers and difficulties under the party's leadership.

The great leader Comrade Kim Il-song, deeply aware of the importance of material-supply work in socialist construction, elucidated unique material supplying the principles and method. Creating the Taean work system in conformity with the circumstances under which socialist construction is extensively carried out, he provided a material-supplying system of our own style which has embodied the mass line, and has wisely led us to thoroughly implement the system.

Under the leadership of the party and the leader, our material-supply functionaries have actively supplied equipment and materials needed in production and construction, highly displaying the revolutionary spirit of self-reliance and fortitude, while searching what is in short supply and producing what is lacking. Thus, they have greatly contributed to brilliantly achieving our party's economic construction policy at every period of socialist construction, and to building an independent, self-reliant, and self-defending powerful socialist country on this land.

Material-supply functionaries, keeping pace with the grand march of the vigorous drive of modeling the whole society after the chuche idea, have unstintedly enhanced the might of the existing economic foundation by broadly launching a mass movement for production increase and economization in all sectors of the national economy. Thus, they have played a great role in building the great monumental edifices of the era of the Workers Party, including the Sohae lockgate, and numerous modern plants and enterprises; increasing production; and improving the people's standard of living.

Material-supply functionaries, with a great pride and responsibility of being in charge of an important aspect of the nation's economic construction and management, have actively struggled to provide materials to production sites in accordance with plans and contracts and in

conformity with the demands of the material-supplying system of our own style, not only to improve material storage and management, but also to reduce the norm of consumption of materials and to eliminate the waste of materials.

The creations built under the plan of the ages which have stood in every corner of the socialist fatherland and our people's happy life reflect the hidden labor of our material-supply functionaries who, with high awareness of befitting the master of nation's economy, have devotedly implemented the party's line and policies.

In the course of the rewarding struggle to implement the party's economic construction plan and policy, material-supply functionaries have grown up to become the pillars of the revolution who thoroughly implement the party's lines and policies, taking loyalty to the party and the leader as the first thing in their lives; and vigorously fighting along the single road of socialism, entrusting their destiny to the party.

The WPK Central Committee highly appreciates the labor feats of all material-supply functionaries who, with high loyalty to the party and the leader, have outstandingly performed their assigned revolutionary duties and, thus, have greatly contributed to effecting a constant innovation in production and construction and to strengthening the country's economic might.

Today, we are faced with an honorable and rewarding task in which the entire party and all the people should firmly unite around the party and the leader, effect a new revolutionary upsurge in all fronts of socialist construction, and, thus, further add luster to the popular mass-centered socialism of our own style.

The great leader Comrade Kim Il-song has taught: One of the most important problems arising in improving the socialist economic management is to properly carry out material-supplying work. Only by properly carrying out material-supplying work and, thus, by smoothly supplying raw materials and materials can we regularize production in all sectors of the national economy and rapidly develop the nation's economy.

The socialist materials supply work is an important administrative organizational work which materially guarantees the working people's independent and creative production activities for implementing the party's economic policies. All material-supply functionaries should actively contribute to accelerating the general march of socialism of our own style by planning and coordinating material-supply work in conformity with the demands of our party's revolutionary economic strategy and, thus, by firmly guaranteeing the expedited development of national economy.

Regularizing production in all sectors of the national economy is the most important task which arises in implementing the party's revolutionary economic strategies. Material-supply functionaries should give priority to supplying materials to those sectors which play a

leading role in developing the economy at present, including the coal industry, the power industry, and the metal industry sectors, so as to lead them to regularize production at a high level. Thus, they should see to it that an upsurge is effected in all fronts of socialist construction.

Material-supply functionaries should smoothly supply facilities and materials to the light industry and the agricultural sectors, which play a great role in solving the people's food, clothing, and housing problems, so that they can greatly increase the production of agricultural products, including various kinds of consumer goods and grains of good quality.

The implementation of the Taean work system is the struggle to safeguard and defend socialist principles in the economic management field. It is also an important condition to enhance the superiority of the socialist system of our own style and to guarantee constant progress and development in our economic construction. Material-supply functionaries should thoroughly materialize the principle of supplying materials in a planned manner under the unified guidance by the state while firmly grasping the Taean work system.

Economic guidance functionaries and material-supply functionaries, mingling deep with the masses of producers, should properly establish detailed material-supply plans in keeping with production plans while inspiring their revolutionary zeal and initiative. They should also strengthen the discipline of supplying all materials through materials firms in accordance with plans and contracts. Thus, economic guidance functionaries and material-supply functionaries should see to it that rapid increase in production is firmly guaranteed in all sectors of the national economy.

By enhancing the role of material firms, economic guidance functionaries should see to it that these material firms properly and promptly supply materials to plants and enterprises, and that plants and enterprises deliver materials directly to their production sites and facilities in a timely manner. Thus, economic guidance functionaries should see to it that producers can concentrate all their efforts on their production activity alone. Along with this, they should correctly use the commercial (?principle) in supplying materials so that materials can be used in a more reasonable and economic way.

Strengthening the control over the amount of consumption of materials and planning and coordinating the work of creating reserves of materials is one of the important tasks facing the material-supply sector. Material-supply functionaries should mobilize the strength of the masses of producers in searching inner reserves, including idle facilities and materials and scrap metals. They should reduce the norm of consumption of materials in a systematic manner and properly carry out material-preservation and management work. Thus, they should see to it that even one drop of fuel, a handful of

coal, one watt of electric power, and a single piece of steel are effectively used in all sectors and units.

The Materials Supply Committee [chajae konggup wiwonhoe] should mobilize and utilize all facilities and materials which are kept idle in storage by vigorously waging the work of mobilizing reserves and should thoroughly implement the party's policy on playing a preliminary [yebijok], substitute [hubojok], and supplementary [pochungjok] role in the country's economy by providing more reserve materials.

To successfully carry out the militant task arising in the material industry sector all material-supply functionaries should cherish deep in their hearts infinite loyalty to the party and the leader, and display the revolutionary ethos of thoroughly implementing the party's material-supply policy under the principle of absoluteness and unconditionality.

Material-supply functionaries should firmly arm themselves with our party's revolutionary ideology, that is, the chuche idea, and should become honest, hard workers and faithful suppliers who think and act only according to the party's line and policy under any difficult and complicated circumstances and who devote their all to outstandingly performing the revolutionary duties assigned by the party.

Party organizations, by strengthening organizational and political work among material-supply functionaries, should actively lead them to deeply realize the importance of their mission and duties for the party and the revolution and, thus, to make devoted efforts in correctly materializing the party's line and policy and supplying in a timely manner materials which are required in socialist construction sites.

The WPK Central Committee firmly believes that material-supply functionaries throughout the country will, in the future, actively contribute to effecting a constant innovation in socialist construction by carrying out material-supply work responsibly with infinite loyalty to the party and the leader, and that they will outstandingly repay the party's high confidence and expectation.

[Signed] WPK Central Committee

[Dated] 21 September 1993

#### Daily on 10th Anniversary of Kim Il-song Speeches

SK2709124693 Pyongyang KCNA in English 1007  
GMT 27 Sep 93

[**"Highly Important Guideline Indicating Way of Developing National Culture of Newly-emerging Countries"**—KCNA headline]

[Text] Pyongyang, September 27 (KCNA)—NODONG SINMUN today dedicates an article to the 10th anniversary of the publication of "Let Non-aligned and Developing Countries Build National Culture Under the

Banner of Independence and Sovereignty" and "For the Development of National Culture of Newly-emerging Countries", speeches the great leader President Kim Il-song made before the participants in the first conference of ministers of education and culture of non-aligned and other developing countries which was held in Pyongyang in September, 1983.

The great leader Comrade Kim Il-song in his immortal classical works clearly indicated the necessity for newly-emerging countries to build their own national culture and tasks and ways for it and consummated the rich experience of Korea in building national culture, the author of the article says, and goes on:

Comrade Kim Il-song has said:

"Today the newly-emerging countries are confronted with the important task of developing national culture. Cultural development is indispensable for consolidating the political independence they have already gained and for successfully building an independent national economy."

Whether or not to smash the domination and subjugation of the imperialists, their ideological and cultural infiltration in particular, and build an excellent national culture by their own efforts is an important question of whether or not the peoples of newly-emerging countries consolidate the independence they have already gained and continue to advance along the road of building a new society.

The great historical significance of the works of Comrade Kim Il-song lies in that they clearly expounded the way for the newly-emerging countries to frustrate obstructions of the imperialists and build national culture by their own efforts.

He said in the works that genuine national culture which the non-aligned and developing countries should build is a chuche culture, a culture based on chuche and stressed the need for the newly-emerging countries to thoroughly establish chuche in building national culture.

The newly-emerging countries in Asia, Africa and Latin America have a long history and developed cultural traditions. Many of them have brilliant cultural traditions that represent the time-honored culture of mankind. The governments and peoples of newly-emerging countries express their firm determination to build national culture independently, not relying on the West, on the basis of the common understanding that they themselves are responsible for building national culture, and are taking joint action in this matter.

The newly-emerging countries are discussing and uniting with each other with the common aim of building national culture. They regularly hold a conference of ministers of education and culture of non-aligned and developing countries as their international forum for

building national culture, and are strengthening discussion and cooperation in concrete areas such as illiteracy and scientific and technological exchange.

If they vigorously struggle to smash the obstructions of the imperialists and develop national culture in the future, too, they will make a great progress in attaining social progress and prosperity.

### 'Blood Ties' Between Leader, People Hailed

*SK2509150193 Pyongyang Korean Central Broadcasting Network in Korean 0630 GMT 23 Sep 93*

[NODONG SINMUN 23 September editorial: "Blood Ties Between Leader and People Are Indomitable Source of Our-style Socialism"]

[Text] Today lofty revolutionary traits in which the leader [yongdoja] trusts the people while the people trust and follow the leader are being displayed more highly in our country. A great number of immortal episodes about ties forged between the leader and people on the road of rewarding revolution to accelerate the chuche revolutionary cause came into full bloom.

Some time ago, the dear leader Comrade Kim Chong-il received letters from seven brothers of Cho Il-sok, Ong-wang Brigade of Musan mine complex; eight brothers and sisters of Yi Cha-ung, officer of the Korean People's Army [KPA]; six brothers of Yi Chong-un; and a brothers and a sister of Choe Hak-mun and Choe Ae-chong. He sent personal reply letters and extended great benevolence to them.

In addition to this, the dear leader Comrade Kim Chong-il, highly assessing exploits of numerous party members and workers who are devotedly struggling for the fatherland and people, personally sent thanks to them.

This is a proud picture which can be shown only in our country where the party and people are advancing in firm unity by upholding the great leader [yongdoja] as father.

The dear leader Comrade Kim Chong-il has indicated: We can be proud of the fact that the leader [suryong], the party, and the masses are united as one social and political body by sharing their destinies. The whole society constitutes a grand revolutionary family, the genuine shape of our society.

The blood ties between the great leader and people are the genuine shape of our society today.

The leader trusts the people while the people follow the leader by trusting him. Herein lies the invincibility of our-style socialism and bright future of the Korean revolution.

The blood ties between the leader and people are a basic question related to the destiny of the revolution. If the people are firmly rallied behind the leader, socialism can

victoriously advance by overcoming all storms. But if they fail to do so, socialism will collapse.

Today all the people are firmly united with the party and with the leader ideologically, consciously, morally and voluntarily. Our society, which constituted a grand family by upholding the leader as father, is a new world of mankind unprecedented in history.

The blood unity between the leader and the people has been more firmly consolidated within the great family and the fine communist custom of helping each other and of sharing the joy and sorrow with each other under the slogan, "One for all, all for one!" has been displayed highly.

There was no such time as today when the ideological and mental traits of our people, who are loyally fighting by entrusting the great leader with their all destinies, have reached a loftiest point.

Today the revolutionary traits, which are highly displayed among our people, are a lofty expression of absolute trust of the people who follow the great leader by upholding him as father.

Today many letters that contain love, trust, loyalty, and filial piety and significant reply letters have been exchanged between the leader of the revolution and the people in our country. These letters contain our people's spotless and clear hearts to trust and follow only the dear leader Comrade Kim Chong-il as great father and to entrust him with all their destinies, thus informing him of all the feelings cherished deep in their hearts.

Our party members and the working people are filled with the firm determination and faith to share their destiny on the road designated by the dear leader Comrade Kim Chong-il, upholding the leader [yongdoja] as a pillar of mind wherever and whenever. In their letters addressed to the comrade supreme commander this time our party members and the working people unanimously took a rock-solid, solemn oath to trust and follow only the great general Kim Chong-il and to become genuine revolutionaries who safeguard and defend at the forefront the general at the risk of their lives by becoming a Yi In-mo, the incarnate of faith and will.

In this way, numerous outstanding revolutionary fighters are emerging who, like Pak Yong-chol's eight brothers, Yi Cha-ung's eight brothers and sisters, and Yi Chong-un's six brothers, are infinitely loyal to the party and the leader [suryong] and are devoting their all to the revolutionary cause. This is a great pride of our party, people, and Army.

Because there are faithful revolutionary fighters who resolutely safeguard and defend only the great leader [yongdoja], firmly trusting him, our party is great, and socialism of our own style is winning victory after victory. Struggling, jumping into fire and water, to realize the plan and intent of the party and the leader

[suryong] is precisely the noble traits of our people, who follow the leader [yongdoja], entrusting their destinies to him.

The father's great confidence and love follow a clean mind of loyalty and filial piety. Devoting all energies and wisdom to embodying the plan and intent of the party and the leader [suryong] has today become our people's firm credo of living.

The noble and lofty mental environment of the seven brothers of Pyo Il-sok, driver of a large-type truck who defends the iron mine in Musan, clearly shows our people's noble features of trying to perform the duty as revolutionary fighters. The laudable virtue of doing good deeds for the party and the socialist fatherland, regardless of whether others see it, is being constantly displayed among party members and the working people as we see among the party members and other employees at Koryo Hotel in Pyongyang. This, as well, cannot be contemplated apart from their pure and clean conscience and sense of obligation of trying to make the leader [yongdoja] joyous by hook or by crook.

Numerous people are rushing, of their own accord, to glorious places, where the trace of the dear comrade leader's great leadership dwells, and to most arduous and difficult coal mines and mines as they have mastered that they cannot live even for a moment separated from the great father's bosom. Thus, in our society, the leader's [yondoja] plan and intent have been turned into a brilliant reality, and relations between the leader and the people have become relations of blood ties which lead to one thought, one breath, and one act.

The genuine comradely relations of helping each other and sharing joys and sorrows alike on the basis of the blood ties between the leader [yongdoja] and the people have been brought into full bloom. This is a proud appearance in our society today. In our country which upholds the great leader [yongdoja] as the father all members of the society are members of one family living in the bosom of the party. They are also intimate revolutionary comrades.

Our party members and working people treasure and love each other like blood brothers and sisters although their revolutionary duties and their character and taste are different. The beautiful behavior of the party functionaries and employees at the General Bureau of Western District Railways, who have become the father and mother of orphan Choe Hak-mun and his sister (Choe Chong) and kindly looked after them so that they can study at a university, is the behavior that can be displayed only by those genuine human beings with warm human love and beautiful minds who have been educated by our party.

The story about (Choe Yong-ok's) four brothers in the bosom of the great leader [suryong] was highlighted early in the sixties while a legend of beautiful love like the

story about Choe Hak-mun and his sister is being talked about today, the era of the Workers Party led by the dear comrade leader.

An epic of love toward human beings is being constantly created in our society because the great leader's [yongdoja] lofty human love and comradely love have been embodied there as they are. The laudable virtue in which one rescues at the risk of one's life one's comrades at a critical moment and in which one does not hesitate to help one's revolutionary comrades who are at point of death with one's flesh and blood is being displayed in our society. The outstanding phenomena of bringing up the children who do not have parents, looking after old men who have no family and relatives as their blood parents, and marrying disabled veterans are a common sight in our country.

The warm love toward human beings, being brought into full bloom in our society, can be found only among the human beings of our times who have been firmly armed with a chuche-oriented view on life and who take it as their genuine life and happiness to struggle, devoting their all, for everything that the dear leader Comrade Kim Chong-il wants. Because of this, our society is filled with a vivacious and beautiful human love. Today, the blood ties between the leader [yongdoja] and the people have been more firmly deepened. This is indeed a precious success in strengthening our singlehearted unity and in firmly safeguarding and defending socialism of our own style.

The firm unity of all the people around the leader [yongdoja] in terms of ideology, volition, morality, and fidelity is the true way to crush all sorts of challenges of the enemy of the revolution and protect and defend the cause of socialism to the end. Today, our-style socialism is making a victorious advance undisturbed in the face of the imperialists' vicious maneuvers, thanks to the wholehearted unity of the entire party membership and all the people that are firmly united around the dear leader Comrade Kim Chong-il.

Because the wholehearted unity around the leader has been further strengthened, we have a mighty weapon that enables us to protect and defend our-style socialism overcoming all trials and difficulties. No matter how hard the imperialists may corrupt the people ideologically, suffocate them economically, and put pressure on them militarily, they can never destroy our-style socialism which advances with the people firmly united around the leader.

The great trait of our wholehearted unity in which the leader trusts the people and the people trust and follow the leader is the noblest gains we have achieved in the struggle to model the entire society on the chuche idea. We should make greater efforts to treasure it as we treasure the pupils of our own eyes and further solidify it. Above all, we should cherish deep in our hearts the fact that the wholehearted unity of the leader, the party, and

the masses is firmly solidified in our country today entirely because we have the great leader [yongdoja].

An exemplary person has an exemplary parent. Today true chuche-type people are numerously brought up among our people thanks to the dear leader Comrade Kim Chong-il's wise leadership and tender care. The bosom of the great leader [yongdoja] is the bosom of the benevolent parent who gives true life and happiness to all our people. It is the great bosom of the revolution which brings up our people to be true chuche-type revolutionaries with the noble spiritual world. Because we have the great leader who institutes politics of benevolence in which he trusts the people and loves them boundlessly, the true chuche-type revolutionaries have been brought up, with the communist virtue of helping each other in full play.

This exhilarating reality we enjoy today clearly shows that the blood ties between the leader and the people are firmly solidified and the people become heroes of the times only in a society where the people have as their parent the great leader who leads the people's destiny with extraordinary wisdom, tested leadership, and boundlessly noble moral repute and comradeship.

All party members and working people should cherish in their hearts the boundless pride and self-respect in upholding the great and benevolent people's leader [chidoja] at the head of the revolution, living, and carrying out the revolution. They should also know the dear comrade leader's greatness of taking total responsibility for and adding luster to the revolutionary fighters' destiny and future, and resolve to share life and death forever in his bosom. In particular, we should cherish and inscribe in our hearts word by word the letters which the dear comrade leader sent to revolutionary fighters, and gratefully cherish his noble will and love for the fighters contained in the letters.

It is a lofty mission of all party members and workers to actively learn from the ideological and mental world of revolutionary fighters who are endlessly loyal to the party and the leader.

Seven brothers of Pyo Il-sok in Musan and eight brothers and sisters of Yi Cha-ung, who became well-known to the people recently, showed our party members and workers with a fresh model how the position and attitude of a warrior should be in upholding the leader of the revolution. The idea of absolute worship to trust and follow only their leader and thorough faith and pure sense of obligation to defend the leader with their lives under any circumstance are the most important trait that we should learn from them.

The revolutionary path that we must advance is still arduous and complex. Without iron-clad faith to trust and follow the leader, one cannot travel the road of socialism to the end nor can one shine the glory of the revolutionary warrior.

We should be keenly aware that without the dear leader Comrade Kim Chong-il, there cannot be the nation and happiness, nor can all of us have full lives. We should uphold the leadership of the party and the leader any time and any place.

The might of our singlehearted unity around the leader, which was attained with blood ties, should be vigorously displayed through practical struggle to accomplish socialism.

Blood ties between the leader and the people in our country are mighty ties which were forged and which have been constantly solidified amid the rewarding struggle to inherit and carry on to accomplishment the chuche revolutionary cause.

We should further consolidate this unity amid the practical struggle to defend and protect our-style socialism in the future.

Today blood ties between the leader and warriors and between the leader and people have been more firmly consolidated in our country as the revolution advanced. This is because there are loyal revolutionary warriors who are repaying the leader with practical achievements for his trust.

Warriors should repay the leader for his trust. It is thoroughgoing outlook on life to repay the party and the leader with practical achievements for their trust.

All party members and workers should keenly realize that personal letters sent by the dear leader Comrade Kim Chong-il contained his great political trust and love for our revolutionary warriors.

It is a firm will of dear comrade leader to lead the revolution and to defend the socialist fatherland to the end by relying on our excellent party members and people who loyally uphold the leadership of the party and the leader.

We should responsibly carry out the revolutionary missions assigned to them by upholding the lofty intentions of the party and the leader and by displaying the sense of boundless devotion. By doing this, we should repay the party for its trust and expectations.

All party members and workers should cherish the sense of loyalty to implement the ideas and intentions of the party and the leader, whether someone else is watching or not, and should firmly defend their revolutionary outposts.

When the gallant sons and daughters of our country excellently fulfill revolutionary missions assigned them with faith and will, our socialist fatherland led by the dear leader Comrade Kim Chong-il will be endlessly prosperous.

Party organizations at all levels should enhance their role in order to more firmly solidify the singlehearted unity with the leader. Party organizations at all levels should

vigorously carry out in a diversified forms and methods the ideological indoctrination work to display lofty spiritual and moral traits of the party members and workers in compliance with the demand of development of the realities.

In particular, they should substantively carry out the indoctrination work to influence the people with positive examples which were put forward recently by our party and should make the people actively learn from these examples.

Party organizations should deeply mingle with the masses and actively search the lofty revolutionary traits that were displayed among the masses. They should also broadly disseminate such traits to the people.

The ideological and mental condition of our people, who trust and follow only the great leader, is excellent. The lofty ideological and mental traits of our people who are advancing in firm unity with the great leader will be more highly displayed with advance of the revolution. On this road, we will loudly shout "Long live our-style socialism!"

#### \* Sangwon Cement Plant To Increase Production

93C0193A Pyongyang NODONG SINMUN in Korean  
11 Jul 93 p 1

[Text] The dear leader Comrade Kim Chong-il remarked as follows:

Cement production should be increased by adhering to a complete preventive maintenance program of equipment, by capacity utilization of equipment such as a calcinator, and by expanding the list of applicable additive material.

Functionaries, workers and technicians of Sangwon Cement Complex continue to increase production firmly upholding the party Central Committee slogan to commemorate the 40th anniversary of the victory with a heightened political zeal and the shining achievement of labor. Following the successful completion of their monthly production goals of all categories in June, they continue, in July, to produce daily 4 percent of the total production goal of the month operating every equipment at its full capacity.

The complex has engaged in a courageous battle to increase production in order to commemorate the 40th anniversary of the victory with a great achievement of labor under the party committee leadership. The party committee of the complex initiated vigorous organized political activities for all members of the party and workers to demonstrate their loyalty to the party through higher production by dispatching functionaries of the party, the administration and labor organizations to production sites where the battle was being fought.

The complex places its utmost emphasis on guaranteeing the capacity operation of equipment to standardize the high level of production and applies an enormous effort

onto maintenance activities of equipment. At the plant, high production is becoming a norm by increasing efficiency of such major equipment as a calcinator through extended operating hours with groups of technicians put together for the purpose and their expanded role resulted in achieving extended operating lives of equipment much longer than what they were at the beginning of the year. Functionaries, workers and technicians of the calcination plant and the cement plant continue to produce high-quality clinkers and crushing cement at a much faster pace by improving on facility management and by applying science and technology to operation and manufacture of equipment. Functionaries and workers of the cooperative raw material plant increased their hourly production rate of crushed material by ten tons through their practice of thorough repair and maintenance of crushers and improvement on their management.

There is an innovation going on in the field of supply and retention of material, as well. By raising rates of operation for mining equipment and large mine cars, limestone mines are successfully meeting (various levels of demand) for high-grade material. The refractory material plant has accomplished 140 percent of its production goal for the month just past, the momentum of which was carried forward to upgrading the quality of refractory bricks, and keeps on fighting the battle to increase productivity.

The technicians of the complex, led by its laboratory technicians, are making a great contribution to standardization of productivity having won a major victory in reducing the levels of required additives by pulling their creative knowhow.

In addition, the party members and workers of shipping, engineering, and electric automation fields are performing their tasks admirably with the sense of responsibility.

Right now, functionaries, workers, and technicians, with a great devotion, are forcefully fighting the battle to further elevate the level of production.

#### South Korea

##### Aspin 'Expressed Skepticism' Over Nuclear Issue

SK2909021193 Seoul YONHAP in English 0139 GMT  
29 Sep 93

[Text] Washington, Sept. 28 (YONHAP)—U.S. Defense Secretary Les Aspin has reportedly expressed skepticism about the possibility of solving the North Korean nuclear issue through the U.S.-North Korea high-level talks, and observed that the issue is likely to be taken to the U.N. Security Council unless talks for resolving it make progress.

Aspin, talking to Japanese Defense Minister Keisuke Nakanishi at the Pentagon, said Monday that the North Korean nuclear issue is highly likely to be transferred to

the security council since Pyongyang is not responding well to talks on the issue, according to a Japanese source close to the meeting.

Aspin extended the notion that this week is critical as it is when the International Atomic Energy Agency has to replace the inspection equipment installed in North Korean nuclear facilities, the source said.

### **Minister Discusses DPRK With Christopher, Kozyrev**

SK2909023793 Seoul YONHAP in English 0214 GMT  
29 Sep 93

[Text] New York, Sept. 28 (YONHAP)—South Korean Foreign Minister Han Sung-chu met with U.S. Secretary of State Warren Christopher and Russian Foreign Minister Andrey Kozyrev and discussed ways to solve the North Korean nuclear issue Tuesday.

Meeting Christopher at his hotel in the afternoon, Han conveyed the South Korean Government's concern about a toughening of the international atmosphere surrounding the North Korean nuclear problem, ministry spokesman Yu Myong-hwan told reporters.

Han noted in the meeting that North Korea is still rejecting inter-Korean dialogue despite South Korea's accepting its offer to exchange special envoys, adding that the Southern side will keep the door open for dialogue and hope to see the North come through it at an early date.

Christopher said the U.S. Government would consistently keep the principle of close consultation and cooperation with South Korea for resolution of the nuclear issue and wished for a breakthrough in the issue before it is tabled at the U.N. Security Council again.

The foreign ministers agreed to have a summit between Presidents Kim Yong-sam and Bill Clinton around the Asia-Pacific Economic Cooperation (APEC) meeting of economic leaders slated for November in Seattle.

Prior to this meeting, Han met with Kozyrev and discussed ways to promote ties between the two countries and exchanged views on Russia's domestic situation.

Kozyrev reportedly said Russia would not seek cooperation in the nuclear field with North Korea while the nuclear issue remained unsettled.

The Russian foreign minister conveyed Moscow's wish for President Kim to visit Russia at an early date and expressed gratitude for South Korea's support of President Boris Yeltsin's emergency measure.

Han also met with Israeli Foreign Minister Shim'on Peres for a talks, which were highlighted by the North Korean nuclear issue and peace in the Middle East in the wake of the peace settlement between Israel and the Palestine Liberation Organization.

Peres asked Han to dispatch a resident diplomatic mission, or a commercial attaches office, at least, to Israel as soon as possible. Han said he would affirmatively consider the request.

### **Editorials Criticize North's Nuclear Program**

SK2909054393

[Editorial Report] On 29 September, five Seoul vernacular newspapers publish editorials on the recent moves and attitude of North Korea pertaining to its nuclear issue and on its troop reinforcements reported by foreign media.

The liberal daily TONG-A ILBO on page 3 carries a 1,200-word editorial entitled, "North Korea's Dangerous Choice." Noting that the situation on the Korean peninsula entered into "the aspect of tension" due to the North Korean nuclear issue, the editorial says that resolution to this issue through negotiations seems to be "no longer effective" because North Korea has turned to a "super hard-line" stance at these "critical moments." Pointing to the decision of the International Atomic Energy Agency [IAEA] to adopt the North Korean nuclear issue as an agenda item at its General Assembly after North Korea refused a second round of nuclear negotiations with the IAEA, the editorial stresses that trying to persuade North Korea through negotiations is merely a "waste of time" because North Korea does not want to abandon its intention to develop nuclear weapons and brands the intention as a "dangerous choice."

The editorial adds that North Korea's troop reinforcement along the Armistice Line is an "alarming movement" and urges the people to "readjust" their "optimistic view" which they have toward the North Korean regime. Pointing out that North Korea's arms expansion maneuvers will further aggravate its economic crisis, the editorial says that this North Korean movement is aimed at maintaining a strong military power with "a few nuclear warheads" to solve all problems in their own way. The editorial warns that we should "pay keen attention" to North Korean actions, urging the people not to cause disaster by "excessively relying on negotiations," and that we should resolutely show our will and position for "full-fledged confrontation."

The conservative daily CHOSON ILBO on page 3 carries a 1,000-word editorial entitled, "Is North Korea Heading for a Cliff?" Pointing to North Korea's refusal to hold negotiations with the IAEA on nuclear inspections, the editorial says North Korean moves only increase the people's image that North Korea is an "incredible group" and prompted by North Korea's "reckless choice," the international will for removing the nuclear suspicion has been strengthened. Pointing to President Clinton's speech at the United Nations stressing the prevention of the proliferation of nuclear and other weapons of mass destruction, the editorial says that his speech is primarily "aimed at North Korea."

The editorial adds that North Korea's supreme diplomatic task is to improve relations with Japan and the United States but this task has reached its "limit" because of U.S.-Japan joint countermeasures against North Korea's recent moves. The editorial concludes that if North Korea finally withdraws from the Nuclear Nonproliferation Treaty [NPT] without realizing this goal, it will be further isolated and its economic crisis will be aggravated.

The moderate HANGUK ILBO on page 3 carries a 1,000-word editorial entitled "Does North Korea Want Sanctions?" Recalling North Korea's past negotiations with the IAEA and the United States as aimed at pursuing its own interest, the editorial says that this movement is a preplanned series of political and military activities. The editorial stresses that no matter what pretext North Korea may put forward, the removal of suspicion concerning the North Korean nuclear issue is the ROK's "ultimate target" which it cannot concede and that both the ROK and the United States have "nothing further to concede" to North Korea.

The editorial notes that North Korea's refusal to negotiate with the ROK and the IAEA will make sanctions by the UN Security Council inevitable. The editorial calls on the IAEA General Assembly and the UN Security Council to work out "concrete countermeasures" to resolve the North Korean nuclear problem.

The moderate daily KYONGHYANG SINMUN on page 3 carries a 1,000-word editorial entitled, "How Much Do We Know About North Korea's Movement?" Pointing to recent foreign reports on the North Korean nuclear issue and its troop reinforcements on the Korean peninsula, the editorial notes that the optimistic view that the North Korean nuclear issue can be resolved through dialogue and negotiations has become "unclear" to the great extent. The editorial then stresses that there is a great possibility that the North Korean nuclear issue will be turned over to the United Nations from the IAEA, and international sanctions against North Korea will be inevitable because North Korea refused nuclear negotiations with IAEA. Noting that we always depended on intelligence and analysis from the United States and Japan on the North Korean nuclear issue, the editorial urges the government to strengthen the ROK's own intelligence network concerning North Korean affairs by stressing that the "direct victim" of North Korea's nuclear development is the ROK.

The pro-government daily SEOUL SINMUN on page 3 carries a 1,000-word editorial entitled "Our New Army." Pointing to the report on North Korea's troop reinforcement along the Armistice Line after refusing to hold nuclear negotiations with the IAEA, the editorial stresses that the ROK should strengthen its defense posture to cope with North Korea's "threat of war" and that the ROK's trust in and expectations of the Army for national defense and security are "invariable." The editorial adds that the security situation in Northeastern Asia has been aggravated despite the turning of the Cold War era to the

time of reconciliation and cooperation. The editorial then urges the people to strengthen self-defense capabilities to ensure "genuine peace and security."

### **South Would Shoulder Most of Unification Cost**

SK2809075893 Seoul YONHAP in English 0737 GMT  
28 Sep 93

[Text] Seoul, Sept. 28 (YONHAP)—If South and North Korea are unified under the so-called German formula, the South will have to shoulder 70 percent to 85 percent of the cost, the National Unification Board (NUB) estimated Tuesday.

In a report to the National Assembly Foreign Affairs and National Unification Committee, the NUB said North Korea's share will be between 15 percent and 30 percent.

Although the unification expenses could vary depending on the state of the North Korean economy at the time and the pace of its economic recovery, the South will have to put up 70 percent to 85 percent of the total, the NUB said.

It said that the South will have to spend that much money in order to help the North turn into a market economy, to bring up the North's economic level to that of the South and to support the North Korean people, administration and systematic reform during a transitional period.

The South will have to pay for the construction of the North's social infrastructure such as roads, railways and communications networks for the growth of its manufacturing industry.

Funds will also be needed to unify educational, administrative and judicial fields while guaranteeing the livelihood of the North Korean people, the report said.

The report excluded, however, the amount of investment in North Korea by South Korean companies. If private investment is taken into account, the total rises considerably, it added.

With regard to a bond issue being planned to help raise the South-North cooperation fund, which was established in August 1990, the NUB said the government would consider it only when economic cooperation between the two Koreas reaches a practical stage.

### **North's Economic Relations With West Declining**

SK2909073993 Seoul YONHAP in English 0724 GMT  
29 Sep 93

[Text] Seoul, Sept. 29 (YONHAP)—North Korea's foreign economic relations, especially those with Western nations, are decreasing because it is under international fire for its decision to leave the Nuclear Nonproliferation Treaty (NPT).

A National Unification Board official said on Wednesday North Korea has reduced its economic relations with Western nations and is instead focusing on relations with present and former socialist nations, as its NPT withdrawal decision has brought about Western nations' criticism.

Among the present and former socialist nations with which Pyongyang wants to increase economic relations are Cuba, Bulgaria, Ukraine and Belarus.

In the first half of the year, North Korea concluded 16 foreign economic cooperation pacts, three less than the number it signed a year earlier, the official said.

Included in the 16 pacts are a scientific, technological and economic cooperation treaty with Cuba, trade and economic cooperation treaties with Bulgaria, Ukraine and Belarus and a scientific, technological, educational and cultural exchange treaty with Iran.

#### \* Fears Renew Sino-Japan Military Rivalry

932C0192A Seoul WOLGAN CHUNGANG in Korean  
Jul 93 pp 518-529

[Article by Hwang Pyong-mu, National Defense College professor]

[Text] Despite the end of the cold war and the rising atmosphere of international reconciliation and cooperation, factors of instability lurk in the security environment of Asia. One of the major reasons is the fact that a number of political disputes in Asia carried over from the cold war era, including the Korean question, remain unresolved.

However, a factor that compounds instability in Asia is the signs showing that Asian countries are engaged in arms buildup by acquiring new weapons and military hardware. The recent PRC naval and air buildup, the modernization of the weapons system of the Japanese Self-Defense Force [JSDF], and the purchase by Taiwan of a large number of fighters of the latest model are cases in point.

Above all, the trends for military buildup in China and Japan, as they coincide with the reduction of the U.S. forces stationed in Asia and the period of U.S. strategic readjustment, raise the fears that the two major Asian powers are seeking a strategic superiority in this part of the world and expand their roles by going beyond the purpose of self-defense.

The military buildup by China and Japan has diverse implications and ramifications in the yet undefined new order in Northeast Asia. At the same time this issue will impact South Korea's diplomatic strategy, the efforts to achieve a durable peace in Asia, and the realization of the reunification of Korea.

We are afraid of a situation in which China and Japan will view their military strength as a tool for achieving their national goals by going beyond the bounds of

self-defense and using or threatening to use their military might against their neighbors. The question—the question whether China and Japan will pursue a high-handed diplomacy in the latter part of the 1990's with the backing of their beefed up military strength in order to promote their respective positions and interests—cannot but be a matter of great concern to us.

In the past China has intervened in military disputes on 10 occasions, including the Korean War in 1950 and the Sino-Vietnamese military dispute in 1979. The Chinese leadership resorted to arms to achieve its diplomatic and political goals. In this sense China recognizes war (violent use of arms) as an effective political means, as defined by German strategist Clausewitz, and reflects this view in its foreign policy.

China tried to justify its intervention in the Korea War in the name of resisting the United States and aiding North Korea. It cited the protection of its territorial integrity and punishment as the justification of its incursion across the Mac-Mahon line and attack on the Indian position in (Aksai) [phonetic] in the northwestern Indian border area in 1962. It cited the securing of the border and punishment for petit-hegemonism as the justification of its attack on Vietnam in 1979. China sent its troops across the border when a border crisis came to a head or when a neighboring socialist state was in danger of collapsing. Since its inception, communist China first pursued the line of people's war and then the line of people's war as modified under a modern condition (neo-people's war). But in reality, it has never engaged an enemy force in action deep inside its territory. In this sense it is noteworthy that the Chinese military forces have been of offensive nature despite the rhetorics about its being of defensive nature.

Japan renounced war as an instrument of state policy in its peace constitution adopted after World War II. The Japanese military capability is exclusively self-defensive, with the use of arms limited to the defense of its land and its territorial waters and airspace. Judging from the way it has interpreted its peace constitution and its past practices, the Japanese military power cannot be considered as a means of coercion for achieving its political goals.

Recently, however, Japan passed a law on cooperating with the United Nations in its peace-keeping operation [PKO] and dispatched JSDF personnel to Cambodia in the name of making contribution to world peace. Asian countries, the ROK included, are worried that these are the signs that Japan is on a move to use its military power as a means of its foreign policy. Some members of the Japanese LDP [Liberal Democratic Party] are openly calling for a revision of the peace constitution to revive the right of belligerency by making a new interpretation of Article 9 of the constitution.

In addition, the Japanese leaders are exerting diplomatic efforts to make Japan a permanent member of the UN Security Council by having the provision on the old

enemies struck out. All these signs indicate that Japan intends to use its military power as a means of expanding its influence by exceeding the bounds of self-defense.

Building a self-reliant defensive posture is the keystone of China's defense policy. This is to say that China seeks to rely on its self-reliant defense capability in coping with all contingencies, such as limited, all-out, or conventional military attacks, or tactical or strategic moves, or nuclear warfare initiated from the outside. China was under Moscow's nuclear umbrella until the late 1950's and maintained an alliance with the Soviet Union until 1960's. Except for these periods, China has maintained a self-reliant defense posture as the first principle of its defense policy.

On the contrary, Japan regards the Japanese-U.S. security arrangement and its efforts to build an exclusively self-defensive defense as the backbone of its defense. In principle the security arrangement provides that depending on the scope and form of the aggression, Japan will repulse a limited small-scale aggression by using its own force, but when it is difficult for Japan to repulse an aggression alone, it will seek the help of the United States and repulse it jointly. In addition, Japan has stressed its commitment to its basic defense policy based on the three-point non-nuclear principle and the three-point principle on arms exports and its intention to build a moderate defense capability by its own efforts.

China and Japan clearly differ in the principles governing their respective defense policies. China has a unilateral defense system whereas Japan has a Japanese-U.S. joint defense arrangement. At present the United States, Russia, and China are the only countries that have a unilateral defense system. The United Kingdom, France, Germany, and Japan each have a joint defense system with the United States as their partner.

In the geopolitical and geostrategic aspects also, China and Japan have different concepts of defense. China is a communist state situated in the center of the Asian continent whereas Japan is a Pacific maritime power maintaining liberal democracy.

The security environment surrounding China in the 1950's and the ensuing years was not peaceful. Some major security problems that China is worried about for the 1960's are: the possible emergence of U.S. hegemonism or Japanese-U.S. joint hegemonism following the collapse of the bipolar arrangements; the possible U.S. pressure on the Chinese people; and the possible conversion of Japan into a military power to overthrow the socialist system. The ethnic independence movement of the Moslems in the Xinjiang area including Tibet, the independence movement of Taiwan, the democratic movement in Hong Kong are among the security issues related to China's territorial integrity. China fears that when any of these sovereignty issues deteriorates, it may not only fall into the pit of an internal trouble but also get involved in a trouble with foreign countries, such as a military conflict with the Moslems in India or

Vietnam, or the Moslem republics of the CIS. China regards this danger as a major threat to its security.

The possibility of China getting involved in an armed conflict with the Philippines, Taiwan, or Vietnam cannot be ruled out as a consequence of the current disputes about the sovereignty over the Nansha Islands in the waters south of China. There is also the possibility of a territorial dispute between China and Japan over Diaoyutai [Uotsurijima].

If China does not rule out the possibility of a U.S. or British intervention in the event its diplomatic efforts to block the movement for independence democratization in Hong Kong fail and China takes high-handed measures (such as a naval blockade or the occupation of Hong Kong by the PLA [People's Liberation Army]) with the backing of its military power. When chances are very high that the territorial disputes over the Nansha Islands will escalate into a military conflict, the United States and other Western nations might intervene militarily.

In the past Japan's potential enemy was the Soviet Union because of the dispute over the Northern Territories. In the wake of the collapse of the Soviet Union, the Yeltsin Administration of Russia, instead of making a diplomatic move to resolve the territorial dispute, has been increasing security cooperation with China by selling high-tech military gear, including the latest models of aircraft, to it. True, the Soviet military threat has drastically diminished in the Asia-Pacific region. But the reduced role of the U.S. forces and the readjustment of U.S. strategy are operating as a destabilizing factor for security in this region.

Japan expects that the United States will press Japan to shoulder an increasing share of the burden of guarding regional security and maintaining U.S. forces in Japan. Japan relies on overseas markets for its supply of crude oil and other raw materials and the sale of its products. Mutual economic dependence and the growth of Japan's economic strength demand that the Japanese leaders recognize the direct linkage between the regional and global security problems and the problem of Japan's own security and adopt a positive stance toward peace as the keystone of its foreign policy.

Japan expressed its misgivings about China's military buildup in the 1990's. It is now proposing to China that the Sino-Japanese security talks which have been suspended since the Tiananmen incident be resumed and held on a regular basis. In particular, the Japanese leaders are urging China to disclose its defense spending and the concrete directions of its military buildup program for everyone to see so that the misgivings of Asian countries may be dispelled. China's control of the South China Sea is a potential threat to Japan's supply routes through it. On the other hand, China's vigilance against Japan has a historical root and persists for geopolitical reasons. When the Japanese law on cooperation in UN PKO [United Nations Peacekeeping Organization] activities passed the Japanese Diet, the Chinese Foreign

Ministry issued a statement expressing the hope that the Japanese Government would behave prudently with regard to this law. China also printed an article in BEIJING WEEKLY highlighting the concerns of the Philippines, Indonesia, North Korea, and the ROK for Japan becoming a military power. The article stressed that Asian countries are watching Japan's military moves with keen attention.

China officially announced a modification of its defense policy in 1985. Deng Xiaoping noted that the danger of a world war breaking out once or twice in this century receded, but he stressed the need for making preparations for small-scale conventional warfare, on the assumption that the possibility of a limited localized war always existed. At the same time, he announced a plan to reduce the PLA troop strength by 1 million men. Since then China has been shifting the focus of the modernization of the PLA "from quantity to quality."

Entering the 1980's China's spending showed a tendency to decrease. But since the Tiananmen incident it has tended to increase. The annual rate of increase in defense spending from 1990 to 1993 was 14 percent. The official figures given by the PRC Ministry of National Defense show that the annual defense budget ranges between 7 and 8 billion dollars. But the actual amount of money spent for defense is estimated at two and one-half to three times more than that.

Until 1980 Japan limited its defense spending to 0.9 percent of the GNP. But beginning in 1981 the defense cost tended to increase gradually until 1987, when it exceeded the upper limit of 1 percent of the GNP. According to the White Paper on Defense, the Japanese Government set the average annual rate of increase in defense spending during the so-call new mid-term defense buildup program (1991-1995) at 3 percent, lower than the increase of 5.4 percent set for the preceding mid-term defense buildup program (1986-1990).

It is worthy of note that despite the low rate of increase in the defense expenditures, Japan ranks first in Asia in terms of the total amount of the defense cost and the purchase of military hardware related to the defense buildup program. The total amount of Japan's defense cost in 1991 was \$32 billion, surpassing China's defense cost of \$18 billion (an unofficial figure).

Japan's troop strength is only one-twelfth of that of China, but Japan can maintain the level of annual investments in research and development and in military hardware at between 25 and 30 percent of its total defense spending. Judging from this, the cumulative effects of these military investments in the next 10 years, will go a long way toward compensating for Japan's inferiority to China in terms of troop strength.

China reorganized all its field armies into 24 composite group armies. Eleven of these composite group armies are deployed in the Beijing and Shenyang military districts. The modernization of these northern group armies has been undertaken on a preferential basis to upgrade

their firepower and mobility. As a result of the diminished threat from Russia, the combat capabilities of these group armies are sufficient to defend Beijing and the northeastern part of China. Accordingly, in the event of an emergency on the Korean Peninsula, China could dispatch to the Korean theater several of composite group armies capable of performing their combat missions on their own.

In wartime these reserve divisions can supplement the fighting power of the regular army. The modernization of the ground forces has proceeded with emphasis on measures to increase their mobility, such as developing new models of tanks, providing independent firepower for composite groups armies, increasing the firepower of antiaircraft artillery, and mechanizing infantry units.

The Japanese Ground Self-Defense Force [JGSDF] is authorized to have 12 ground divisions (including one armored division) capable of coping with "small-scale limited warfare." This authorization was spelled out in the "Defense Program Outline" approved at a Japanese Cabinet meeting in 1976. The goals for beefing up the fighting power of the JGSDF was accomplished by 1987. The "new mid-term defense program," which went into effect in 1991, calls for increasing the number of armored cars to 1,057 (an increase of 109), antiship missiles to 78 (an increase of 40), antitank helicopters to 86 (an increase of 14), and procuring 36 multistage [stayonjang] rockets.

Under a new concept of naval strategy the Chinese Navy stepped up the modernization of its hardware and strengthened its strategic posture. As a result, China has become a maritime power. In the late 1980's China adopted the concept of "active inshore defense strategy." Included in the inshore, which is the opposite of the word offshore, are not only the waters over which China has its jurisdiction, such as the continental shelf and the 200-km exclusive economic sea zone, but also all its territories scattered throughout this zone, including the Dongsha, Xisha, Zhongsha, and Nansha Islands. Part of the Pacific adjacent to China—the waters off the Japanese archipelago, the Okinawa Islands, Taiwan, the Philippines, and Indonesia—is included in the operation zone of the Chinese Navy under its inshore strategy.

The goal of the Chinese Navy's inshore strategy is to secure the Chinese sovereignty over the South China Sea, gain the control of the sea, and use the ocean in order to provide effective support for national economic reform and the opening to the outside world. To this end the Chinese Navy is striving to increase its antisubmarine capability, improve logistics, upgrade its mobility, improve communications between different branches (surface ships, submarines, aircraft, the coastal missile battery, etc.), and solve problems involving aerial support in the open sea.

China is pushing a program to develop and secure tankers for aerial refueling. It is also in a hurry to develop aircraft carriers on its own. Earlier reports said

that China was engaged in negotiations to purchase the aircraft carrier (Varyag) under construction in Ukraine. But presumably, China is carrying out a plan to build two medium-size aircraft carriers each capable of carrying about 50 aircraft on the deck by the early 21st century. When China commissions these tankers and aircraft carriers, it will acquire a capability to control the vast expanse of waters stretching from the western Pacific to South China Sea and the Indian Ocean and demonstrate its ability to throw its forces into this area in a show of force.

In the early 1980's Japan expanded its inshore defense and sea traffic protection zone in accordance with an agreement with the United States. This expansion was based on the defense concept that in the event of war Japan will close its four straits, and in time of peace will secure the safety of traffic in the waters stretching out 1,000 nautical miles from its shores.

Japan pushed a plan to upgrade the capability of the Japanese Maritime Self-Defense Force [JMSDF] by the late 1980's to achieve this defense goal. But much remains to be done for the JMSDF to acquire such capability by the early 1990's.

The JMSDF currently has 16 conventional submarines and has no plan to increase the number. It plans to retire six of the 62 escorts by 1995 and put three AEGIS® Escorts into commission beginning in 1993. The AEGIS is an escort carrying newly developed long-range surface-to-surface and antiaircraft missiles. It is equipped with a high-performance radar capable of intercepting on its screen a target located within a range of 400 kilometers, as well as antiaircraft missiles capable of detecting and destroying a target within 100 kilometers. The sequential commissioning of the AEGIS in the mid-1990's will contribute to the regional defense potential of the JSDF by expanding its range of operation.

To upgrade the airborne capability of the JMSDF, Japan is continually increasing the number of fixed-wing antisubmarine patrol boats (P-3C's), antisubmarine helicopters, and minesweeping helicopters. Japan is expected to study problems concerning aerial refueling, including the performance of tankers and plans for their operation. When Japan secures aerial tankers, its warplanes will be able to extend their flying range.

The Chinese Air Force lags far behind among the three branches of service in terms of modernization. The Chinese Air Force performed only a limited role during the Korean War and the 1978 China-Vietnam War, two major wars. Beginning in early 1980's the Chinese Air Force undertook to define the doctrine concerning the diverse combat missions of the air power, such as strategic counterattack, close-ranger aerial support, theater blockade, strategic bombing, tactical and strategic air transport.

Two-thirds of the Chinese operational planes are J-6's, an improved version of the J-19. Following the Gulf War, China purchased 24 Su-27 "Flanker" fighter

planes, and launched a project to develop the J-9 (F-9) with a cost of \$5 billion for a period of three years. When completed, F-9's, which will match the MiG-27 or the F-16, will be put into commission in the mid-1990's.

Japan is carrying out a plan to improve the performance of its F-15 interceptors. In addition, it is developing the next-generation fighter FSX jointly with the United States to put it into commission in the mid-1990's.

Japan also plans to have four AWACS planes to upgrade its early warning and surveillance capability to cope with low-altitude intruders. At the same time, it plans to continue to study the feasibility of a super horizontal [cho supyongson] radar in an effort to improve its intelligence gathering capacity.

China has developed and commissioned various tactical missiles and are currently selling some of them overseas. As many as 18 different types of missiles, including four kinds of antiship missiles, were on display at the second Beijing International Defense Technology Expo in November 1988.

China is a nuclear power which is said to have overtaken the United Kingdom in 1990 in the number of nuclear warheads stockpiled. It completed a nuclear submarine-launched ballistic missile system in 1988. A small number of the warheads of the intercontinental ballistic missiles are directed at the United States; and the bulk of the nuclear warheads stand ready to strike the targets in the Far Eastern part of Russia, Japan, and India in time of war. It appears that beginning in the late 1970's China deployed tactical nuclear weapons in the field for theater use. China set up the Second Artillery Command directly under the jurisdiction of the Party Central Military Commission, and set up an automatic command network to improve the command, control, communications, and intelligence C<sup>3</sup>I system and bring all the nuclear weapons deployed throughout the country under a single unified command.

Japan is a military-technological power superb both in civilian and military technologies. In the aircraft industry Japan has reached a technical level capable of producing the next-generation fighter planes jointly with the United States. In the field of semiconductors on which the accuracy of weaponry depends, Japan is overtaking the United States. The chips used in Tomahawk missiles, which demonstrated its precision in striking the targets during the Gulf War, are made in Japan.

Despite the public aversion to nuclear weapons, Japan has been continually accumulating a plutonium stockpile and nuclear and missile technologies. In April 1993 Japan Atomic Fuel, Ltd. undertook a project to build the world's largest nuclear fuel processing plant with an annual capacity of 5 tons of plutonium for completion in the first decade of the 21st century.

During the 1988 negotiations with the United States on a new nuclear energy agreement, Japan successfully

maneuvered to obtain the right to use plutonium for peaceful purposes for the next 30 years under the pretext of reducing its trade surplus. As a consequence, Japan is expected to secure 85 tons of plutonium by the year 2010 and thus become the world's number three plutonium power. Presumably, Japan has accumulated enough know-how to produce, if it so decides, highly reliable atomic bombs with this plutonium supply in only a few months after receiving it, as well as enough rocket technology necessary to build rockets capable of delivering these bombs.

Recognizing space as a strategic arena beginning in the 1990's, China is pushing a plan to launch a manned spaceship and a space station by the 2010's. The Chinese leaders link the space plan to ways to improve the guidance system and accuracy of China's ICBM's and upgrade its military intelligence gathering and C<sup>3</sup>I capability.

Japan has been participating in space development projects since the mid-1970's. It had launched 24 artificial satellites by the end of 1992.

Under a plan to launch a spaceship by the 2010's, Japan is concentrating on the development of the H-2 rocket. It has no separate military reconnaissance satellite development project. However, because Japan's space technology can be used for dual military and civilian purposes, the wartime intelligence gathering potential of its earth observation satellite and the C<sup>3</sup>I potential of the communications and broadcasting satellite scheduled to be launched by 1995 deserve attention.

Japan's security strategy in the mid-1990's will focus on increasing its international influence through multilateral cooperation and becoming a permanent member of the UN Security Council while expanding the concept of exclusively defensive defense under the Japanese-U.S. security arrangement and gradually increasing its participation in regional defense arrangements.

Considering the international environment in the post-cold war era, the population growth, and the employment situation, Japan is expected to maintain the present troop level (approximately 250,000 strong), but it will give weight to the qualitative improvement of its defense capability in its future military buildup. While maintaining the current defense spending level of 1 percent of the GNP, Japan is expected to consolidate its foundations of defense by modernizing the hardware of the JSDF and stepping up the technical training of JSDF personnel, and also through a long-range improvement of the sources of reserves as well as institutional improvements.

For geopolitical and geoeconomic reasons, Japan is expected to give priority to the buildup of its Navy and Air Force in the allocation of its defense resources. Japan will secure a naval power capable of controlling the area stretching from the northwestern Pacific to Taiwan to the south and to Iwo Jima to the southeast by the late 1990's and secure the capability to control the whole of

the western Pacific and protect the sea routes to Southeast Asia by the year 2000. Japan will refrain from building a strategic weapons system (long-range bombers, strategic missiles, and aircraft carriers) because of the restraints imposed by the United States, the possible reaction of the neighboring countries, and the pressure of the Japanese pacifists.

Nevertheless no one can rule out the possibility that Japan will radically buildup its defense capability if U.S. forces are redeployed from the Asia-Pacific region to another area in a swing action for a protracted period to quell a military dispute there, or if Japanese-U.S. relations deteriorate.

Japan's military capability has not reached an optimum level sufficient to participate in regional defense or intervene in an overseas dispute for an extended period of time. Japan's military threat for the 1990's is looked upon as a "potential" but not a real or urgent threat to Asian countries. However, Japan has enormous potential to become a major military power.

On the other hand, China is a major military power in Asia in terms of conventional and nuclear weapons systems. It has an ability to intervene in any regional military dispute in Asia and has an intention to do so. It demonstrated such ability and intention in the Korean War and the Sino-Vietnam War.

What implications and ramifications will the signs of Japan's militarization and the presence of China as a major military power have on Northeast Asia in general and on the Korean Peninsula in particular? Most of the Asian countries were the victims of Japan's imperialist policy in the past. They have a feeling of distrust and fear toward Japan.

Therefore a militarized Japan would create tension in Asia, thereby spurring military buildup in other Asian countries. Military buildup among Asian countries would be the first consequence of the military buildup of Japan and China. We cannot rule out the possibility that such buildup would mar the creation of an atmosphere conducive to achieving arms control on the Korean Peninsula through confidence building between North and South.

Second, a militarized Japan would be able to strengthen its position so much that it would insist on its stand and push it through. Third, it would inevitably trigger a naval rivalry between Japan and China in the western Pacific and in the South China Sea. There is the potential danger that if Japan and China should forge a close security partnership, they would dominate Asia together.

Japan would press the ROK more forcefully to maintain a security partnership with it and would have a greater say on matters concerning the maintenance of peace and security on the Korean Peninsula and the unification issue in Korea. In the worst case scenario, in the event of war in Korea a JSDF contingent might be dispatched to Korea as part of the UN peace-keeping operations. The

buildup of the Japanese and Chinese naval strength would increase the need for military measures to protect the sea routes essential to the ROK's economic activities.

China's existing military capability and the direction of its military modernization program will act as a disturbing factor to security in the Asia-Pacific region. Taiwan, Malaysia, and Indonesia are reacting to this possibility by beefing up their naval and air forces. China has strengthened its position so much that in the event dispute should arise between the ROK, Japan, and China over the ROK's development of the continental shelf off its west coast, China might push through its claim for jurisdiction over the same continental shelf with the backing of its strong naval power.

China can play the role of a balancer in maintaining a military balance between North Korea and South Korea and have a greater say on the Korean question. Should China determine that the unification process on the Korean Peninsula is proceeding in a direction disadvantageous to its national interests, it could use a high-handed pressure tactic to block it.

In the event of war on the Korean Peninsula, China's military power could become a prop to prevent the fall of the North Korean regime. Militarily, the ROK would be exposed to the threat of the Chinese nuclear arsenal and strategic missiles. It is difficult to neutralize this threat with the ROK's defense capability alone. Even after Korea is unified, Korea is so situated that should its relations with China sour, a united Korea could come under the pressure of the Chinese ground forces on its northern border and under the pressure of the modernized Chinese navy on the sea.

The ROK's security strategy for the early part of the 21st century should be aimed at drawing Japan and China into a multilateral Northeast Asian security cooperation mechanism while maintaining friendly and amicable relations with them, so that their power and potential as major military powers may be neutralized.

At the same time, the ROK should devote its efforts and wisdom to formulate such a defense concept and secure such a defense capability that are appropriate to a unified Korea, while keeping an eye on the directions of military buildup in Japan and China.

#### \* Mass Transit Problems in Pyongyang

932C01964 Seoul NAEWE TONGSIN in Korean No 854, 1 Jul 93 pp C1-C6

[Published by Agency for National Security Planning]

[Text] Pyongyang is suffering from rush-hour transportation problems just as are the rest of the world's cities.

According to the testimony of recent North Korean defectors and visitors to Pyongyang, transportation conditions are getting very bad: rush hour is very congested and residents must stand in lines over 100 m long to use the trolley-bus.

North Korea's lack of a transportation policy, and its inadequate transit systems and transportation infrastructure is considered the main reason for these problems.

During the over 40 years since the Korean War, North Korea has completely prevented the relocation and free passage (travel) of residents. As a result, the transportation convenience of residents has not been one of its main policy concerns. Even in Pyongyang, emphasized as the "Capital of the Revolution" in propaganda for foreign consumption, it has only developed a small transportation network centered around a few business districts.

Another reason is the inadequate transportation infrastructure. In spite of the fact that the Taedong River (length 450 km), the Potong River (length 55.2 km), and various other watercourses have developed dividing Pyongyang into north and south, and into east and west, there are few bridges (at present, there are nine bridges, including railway bridges, on the Taedong and Potong rivers) connecting these areas. This hinders the development of land transportation. Unable to come up with an effective solution to this or a plan to connect transit systems in an organic way, the North has been using main mass transit systems, such as city buses, merely as a supplemental means to interconnect suburban areas.

Besides this, the regular disruption of trolley-bus service, the backbone of Pyongyang's mass transit system, due to the oil and electricity shortages effecting the whole North Korean economy is also being considered one of the main reasons for the aggravation of Pyongyang's transportation problems.

Following the recent worsening of Pyongyang's transportation problems, North Korea, as a solution, is working to make its transit system large-scale and to install "trolleys."

As part of its plan to increase the size of its transit systems, North Korea recently produced several tens of 170-passenger, "large coupling," buses at the Pyongyang trolley-bus factory. It sent them all to Kwangbok and Tongil roads, a new urban district of Pyongyang now being built.

#### The "Trolley" Reappears After Forty Years

The trolley reappeared 40 years after it was eliminated during the restoration of Pyongyang following the armistice. In accordance with Kim Chong-il's instructions (Feb 89), over 500 thousand soldiers and workers were mobilized and began construction in November 1991. Line One was completed in April 1991 for Kim Il-song's

79th birthday and section one of Line Two was completed in April 1992; both are in operation.

The reasons for North Korea's reintroduction of the "trolley," used as a tourist attraction—if little else—worldwide, are understood as follows.

First, Pyongyang's present subway and trolley-buses are operated only on the main arteries of limited service routes and are unable to fulfill their roles as mass transit systems. Therefore, the North intends to expand service routes and connect passenger cars to trolleys to increase mass-transit capability.

Second, if the existing trolley-bus routes are converted into trolley lines, then construction time and expenses can be reduced and the North will be able to show off visible results, both internally and externally, within a short period of time.

Third, if a circular network using trolleys is constructed covering the whole of Pyongyang, the tremendous expenses that would have been incurred in the construction of a circular subway network can be reduced and linked transit with the suburban railway becomes possible.

Fourth, given the present financial state of North Korea, the procurement of resources for additional subway construction would be difficult and this would replace the existing system with one capable of using North Korea's own resource, electricity, in preparation for the possible continuous suspension of public transportation services due to the oil shortage.

Given these goals, it appears that, in the future, Pyongyang's mass transit system will be changed from its present, trolley-bus-centered system to a trolley-oriented one. It is believed that the existing trolley-buses and subways will continue to be used as supplemental systems.

At present, trolley-buses, etc., six transit systems are used in Pyongyang. The following is a concrete examination of their operations.

**Trolley-bus:** The reason North Korea uses trolley-buses for Pyongyang's mass transit system is that, since they are electrically powered (Usage voltage 600-650V), there is little noise and no exhaust fumes, resulting in little pollution and no need to install the tracks used by subway trains and trolleys. Another reason is that, compared to these other transit systems, they have an excellent capacity to pass through the downtown area. The carrying capacity of the trolley-buses is about 100 passengers for the large model and 50 passengers for the small one. The first Pyongyang trolley-bus route, "Pyongyang Station - Industrial and Agricultural Exhibition Building," was opened on 30 April 1962. Ten routes are presently under operation: "Pyongyang Station - Yonmot-dong," "Pyongyang Station - West Pyongyang Station," "Pyongyang Thermoelectric Power

Station - West Pyongyang Station," "Hwanggumbol - Songsin Station," "Pyongyang First Department Store - Munsu Road," "Yonmot-dong - Pyongsong," "Palgol-dong-Taedong River Station," etc. On 5 March of this year, the new "West Pyongyang Station - Sopo 3dong" route will be completed. Fare is 10 chon for general passengers and 5 chon for students.

**Subway:** The subway is presently operated interconnecting Pyongyang east to west and north to south. The lines are monotonous. With no line connecting to East Pyongyang on the east side of the Taedong River, it is believed to be operated only as a supplementary mass transit system. Pyongyang's subway is publicized as the "Underground Palace" and the "Underground Pyongyang." Its Chollima [Lit. a horse able to run a thousand li] Line (12 km, six stations: Ponghwa - Sungni - Kaeson - Chonu - Pulgun Byol), linking northern and southern Pyongyang, was opened in September 1973 for the government's 25th anniversary. The Hyoksin [Lit. Reform] Line (20 km, nine stations: Kwangbok - Konguk - Hwanggum Byol - Konsol - Hyoksin - Chonsung - Samghung - Kwangmyong - Nakwon) was opened in September 1978. The Mangyongdae Line (2 km, three stations: Ponghwa - Yonggwang - Puhung), and extension of the Chollima Line, was completed in September 1987. Altogether, the subway system has 17 stations and a total length reaching 34 km.

Subway hours of operation are from 0530 to 2330. Trains come in five-six minute intervals during normal hours and in two-three minute intervals during rush hour. Lately, the fare is 10 chon per ride regardless of the distance; no round-trip tickets are issued. The subway's daily average number of passengers is 300-400 thousand and, with the exception of rush hour, it tends to be quiet. Operating speed is 40-50 km per hour.

The Pyongyang subway is located 100-150 m below the surface. Since it is distinguished by having considerably important military purposes, it is managed by the Social Safety Department.

**City Bus:** City bus operations run parallel with trolley-bus operations, but only as a supplemental transit system in urban and suburban areas without a trolley-bus route and as a linking system in areas where trolley-bus routes end. At present, the Pyongyang city bus line is reported to have over 40 service routes: "Taesong Mt.- Mirim," "Taesong Mt.-Samsin-dong," "Taesong Mt.- Kwangbok Road," "Yonmot-dong-Sopo," "Pyongyang Station - Mangyongdae," "Songsin - Sangwon," etc. Fare is 10 chon for general passengers and 5 chon for students.

**Taxi:** Since early 1987, North Korea has been operating commercial taxis in Pyongyang for foreign tourists and Korean visitors from the North Korean sponsored union of Koreans living in Japan [Chochongnyon] or third countries as a means to earn foreign currency. The Land Transportation Bureau set up the "Pyongyang Taxi Enterprise" and has been operating it as a monopoly. However, in February 1992, the "Joint Industries

Bureau [Hapyong Sanop Chongguk]" and the Chochongnyon jointly established a private company called the "Kwangun Joint Corporation." With the English sign, "Taxi," attached to their roofs, these taxis are operated separately from those belonging to the Land Transportation Bureau. There are reportedly over 400 taxis being operated in Pyongyang. Although taxis generally do their business around hotels and department stores with foreigners as their customers, they can also be caught at a taxi stand. The taxi's basic fee and standby fee are 6 won [W] each (about three American dollars). There is an additional fare charged according to distance traveled: 1 w per kilometer (2 w at night). It is reported that, due to the recent gasoline shortage, they will accept no North Korean money, only foreign currency or certificates of exchange for foreign currency.

**Passenger Ship:** North Korea started operating its first passenger ship on the Taedong River in March 1989. These ships are managed and operated by the Pyongyang Maritime Enterprise. They carry commuting residents and travelers on one line from "Chung-guyok's Kim Il-song Square to Tongdaewon-guyok's Chuche Thought Tower," and two lines from "Pyongchon-guyok's Pyongchon Wharf to Nangnang-guyok's Turu Island." North Korean operation of passenger ships on the Taedong River is to eliminate the inconvenience of having to take a long detour, due to the small number of bridges (seven), when traveling between eastern and western Pyongyang. Besides this, when the Taedong River's water level rose due to the construction of the Yellow Sea flood gates, North Korea worked to construct a Taedong River inland-waterway network. It built the Yonggwang, the Pyongyang One, and other sightseeing ships, and is operating a "Pyongyang-Nampo" line.

**Trolley:** At present, construction is complete and operations are in progress on the 20 km Line One: "Mangyongdae Songsan Parking - Kwangbok Road - Pulgun Road - Pyongyang Station - Yonggwang Road - Saesallim Road - Sadong-guyok Songsin Parking," and on the one-section, 12 km Line Two: "Munsu Parking - Munsu Road - Chongnyon Road - Tongil Road - Tosong." Line Two's section two (12 km) was recently altered from "Moranbong Youth Park Parking - Oknyugwan - Pyongyang Theater-Ansan Bridge - Mangyongdae Songsan Parking" to "Tongil Road -Chungsong Bridge - Chollima Road-Saemaul Road - Kyonghung Road - Hasin Road - West Pyongyang Station." It is now under construction, as is Line Three (circling Pyongyang): "Kim Man-yu Hospital - Kumnyung Caverns - Ansan Yogwan - Chungsong Bridge - Tongil Road - Chongnyon Road - Pyongyang Maternity Hospital - Kim Man-yu Hospital." The open and operating Line One trolleys are double-tracked and supposed to run 24-hours a day. Cars are allocated to come at one minute 30 second intervals from 0600 to 2200, at 15-30 minute intervals from 2200 to 2400, and at one hour intervals from 2400 at night to 0600 the next morning. Twenty-three (46 total) trolley stops are set up in each direction. U-turn points have been created at "Songyo Rotary" and "Taeharyong

Rotary" to make partial operation possible should an accident occur. The over two hundred 350-400-passenger, special-large cars and 170-200-passenger, middle-sized cars make up the majority of the trolleys committed to the system.

#### \* Diplomats Told To Supply Operating Funds

932C0195A Seoul NAEWOE TONGSIN in Korean 8 Jul 93 pp f1-f2

[Text] (Seoul-Domestic and Foreign) North Korean consulates stationed abroad must, according to a special directive, "Solve their operating expense problems themselves."

According to one African diplomat stationed in Pyongyang, lately North Korea's shortage of foreign currency has worsened to the extent that, while it has delivered this special directive to all of its diplomats stationed abroad, it has also made major budget cuts in the money allotted for operating expenses. The budgets for some foreign consulates have been cut in half, and some embassies have not even received their expense allotments for several months at a time.

Because of this, the consulate in Thailand is not able to pay their lease or utilities. Also, the embassy in Cameroon has been asked strongly to vacate their embassy building. They have not paid their lease since July 1991 (the rent is 1,800 dollars a month).

The diplomat also said that, struggling to cut operating expenses, the North Korean embassies openly employ the wives of embassy staff as office workers. This is after they are brought into the country and registered as diplomats. Also, the embassies engage locally in many illegal activities, to provide for their operating expenses. The source criticized these as actions which bring disgrace upon the honor of diplomats.

For instance, last July the Nambian North Korean Embassy used a missing check drawn on a Nambian bank for 120 thousand Rand (approximately 38 million South Korean Won). It was used to buy a great quantity of cars and supplies for the embassy. The bank, however, received advance notice that the check was missing. When it was presented, they refused to honor it and created an international scandal. Likewise, the North Korean consulate general in Karachi, tried to illegally import twice the customs limit for liquor by disguising it as diplomatic material. The shipment was seized in Pakistan by customs who exposed the plot. In addition, the government of Nepal voiced a strong complaint against the North Korean ambassador there, after he was caught smuggling silver ingots and illegally selling tax exempt embassy cars.

Along with the directive that all consulates must provide for their own operating expenses, copies of Kim Il-song's memoirs entitled: *With the Century (Parts One and Two)*, and various other printed propaganda, have been allotted to each embassy for support of consulate

expenses. Along with these items went the instructions that they are to be sold and the profits used to pay embassy salaries and expenses.

In February, at the North Korean embassy in China, the ambassador was forced to take approximately 5,000 copies of Kim Il song's memoirs, *With the Century*, to support embassy expenses.

According to recently confirmed reports, the books are distributed through the wives of the embassy staff. They are given to the members of the North group, ten copies to each member, and to the leaders of the Cho Gyo (North Koreans living in China). These groups in turn then sell them door to door to Chinese Koreans for three dollars each. Visiting South Korean merchants, Korean Americans, and Korean Japanese are also begged to buy large quantities of the books.

The North Korean foreign currency shortage has not only caused difficulties with the operation of foreign consulates. Persons with official missions, for instance, Kim Il-song's special envoys and members of committees as well as diplomatic representatives traveling abroad, also, are not given sufficient money to cover expenses. As a result, their poverty is attracting much attention to North Korean diplomatic activity.

On 4 March, Vice President Yi Chong-ok and his entourage stopped off for three days in Bangkok, Thailand on the way to Egypt. Because of a shortage of money for travel expenses, though, only Yi Chong-ok and one other member of the party checked into a second rate hotel. The other three members of the group had to stay at the North Korean official residence. They stayed there for the entire three days, until it was time to leave the country. In June, there was a high level dialogue concerning North Korea's withdrawal from the NPT [Nuclear Nonproliferation Treaty]. This meeting was held between the United States and North Korea in New York (2-11 June). Other than the attending deputy ministry of foreign affairs, Kang Sok-ju, the other seven members of the delegation were unable to check into a hotel. They instead had to stay in the quarters of the North Korean UN representative for the duration of the talks. The poverty displayed by this solution to their problems with food and lodging is representative of the situation.

#### \* POSCO Erasing Pak Tae-chun Legacy

932C0197A Seoul CHUGAN CHOSON in Korean  
29 Jul 93 pp 32-33

[Article by reporter U Chong-chang]

[Text] Pohang Iron and Steel Co., Ltd. (POSCO) has adopted an "Ethics Program." POSCO is the first company in our country to work out a program regarding corporate ethics on its own initiative. This is not the only change that has taken place at POSCO. Military style saluting on the premises has disappeared, and arm bands and bands worn around on safety hats denoting the ranks

of the wearers have also disappeared. All this is an indication that the post-Pak Tae-chun POSCO has been undergoing a radical change.

POSCO's ethics program was not the work of a handful of executive officers. Department chiefs worked out the first draft. Then a small committee was organized to study the first draft, and then a second draft thrashed out by this committee was referred to an advisory group of experts, including philosophy Professor L and sociology Professor L at Seoul University; and Mr. M, a mid-standing journalist.

The final version of the ethics program adopted through this process highlights the fact that POSCO is no longer a kingdom ruled by former Chairman Pak Tae-chun, but belongs to all the POSCO employees and their families and all other people who have ties with it—an enterprise belonging to the people.

The ethics program, consisting of four chapters and 15 articles, spells out POSCO's social responsibility and principles of operation; the standards of thinking and behavior for its executives and employees; its relationships with interest groups; and strict requirements for the observance of the law and ethics. It also has detailed provisions banning its executives and employees from participating in politics and from receiving bribes, as well as provisions concerning the management of its assets.

POSCO proclaimed the Ethics Program at a 21 July meeting attended by its 350 staff officers, 110 representatives of its employees, and more than 40 officers of its affiliates. With this proclamation, the "drive for a new POSCO," which was launched on 1 April, went into full swing.

The struggle for a new POSCO was kicked off with the declaration of the birth of a new POSCO. The new leadership of Chairman Chong Myong-sik and President Cho Mal-su—they took over the management of POSCO from then Chairman Pak Tae-chun at the regular stockholders meeting in March—proclaimed the advent of "the era of a new POSCO" on 1 April marking POSCO's 25th anniversary. The "era of the old POSCO" ended with the termination of the Pak Tae-chun reign; and the "era of a new POSCO," a politically neutral POSCO, began on the 25th founding anniversary of the steel complex.

This change in POSCO stems from the severe crisis facing the company since the inauguration of the Kim Yong-sam Administration. The seeds of this crisis were sown when Mr. Pak Tae-chun entered politics on a full scale as chairman of the ruling Democratic Liberal Party [DLP] in 1990. At the its March 1993 regular stockholders meeting, POSCO culled out all those Pak Tae-chun aides who were deeply involved in politics. Pak himself suddenly left for Japan just before the stockholders meeting. Despite this personnel change, POSCO's crisis remained unabated.

The National Tax Administration launched a full-scale tax investigation of the company, and this investigation led to an investigation by a public prosecutor's office. As a consequence, some of the top POSCO managers and executive officers of its affiliates were taken into custody, shattering the POSCO myth. The Kim Yong-sam Administration also did not view the company in a favorable light.

Faced with the greatest crisis since its inception, the new POSCO management team tried to bring about changes to the company under the slogan of creating a new POSCO. This drive began by erasing the "legacy of Pak Tae-chun." The "honor students of the Pak Tae-chun school" were culled out by the initial personnel action taken at the end of March. This was followed up by forcing out seven executive officers on 10 July.

What the new POSCO management team did next was an internal reform. To this end, it worked out the following measures: three cardinal tasks (combatting irregularities, doing away with authoritarianism, and revamping the management structure); a five-point action guideline (shifting from formalism and slogans to practice, from directives and control to autonomy, from distrust and indifference to trust, from uniformity and coercion to autonomy, from prejudice and conflict to harmony); and a 10-point implementation package (effecting structural reorganization, streamlining personnel management, establishing clientele-oriented sales practice, etc.).

The management team asked all company employees to suggest concrete ways to put the three cardinal tasks into practice. A total of 211 suggestions were made, and 123 of them were adopted as of the end of June. They include: freezing the salaries of all executive officers and employees; freezing the domestic prices of steel materials; closing the restaurant for executive officers; removing single homes for executive officers; shortening the bill settlement period from 77 days to 55 days; paying cash for goods purchased from suppliers up to 30 million won; introducing a system of distributing business profits; discharging 16 advisors and advisory committee members who have no distinctive roles to play; expanding the use of credit cards for the entertainment of customers; and providing emergency household loans up to 2 million won each on the day of application.

The uniform for the employees of the Seoul Office has been abolished, and ceremonial procedures for various events have been simplified. The customary reading of the norms of action at every function, as well as military style saluting, has been eliminated. The space for stamps of approval on official papers has been reduced. In past, to get a final approval of a purchase contract costing 10 million yen, 26 signatures on as many levels were required, but now they have been reduced to 14. Similarly, the number of signatures required for a contract exceeding 50 million won has been reduced from 42 to 17. In addition, as a means for assisting small businesses, the company has decided to waive inspections

for the next 10 years when it purchases goods from those suppliers with an excellent record in meeting the supply standards. As part of community services, the company has contributed 8 billion won to the projects to build a Pohang cultural hall and a second Hyongsan bridge.

The next thing the new management did was the strengthening of internal unity. "An evening for a pledge of harmony for the new POSCO" was observed simultaneously in Pohang and Kwangyang on 8 July, attended by all POSCO employees and their families. The participants gave three cheers for the company after touring the factory premises. This was followed by a tea party, a country circle dance, and chess games in a show of their camaraderie. The old custom of wearing a shoulder band or carrying picket signs was to be seen nowhere. A new voluntary and autonomous style of leisure culture has replaced the old compulsory one.

The greatest change the employees feel is the enhancement of their voluntary spirit and initiatives. In evaluating the new management team, 12.1 percent said it was doing very well, 55.9 percent said it is doing fairly well—altogether 68 percent held a positive view of the new management team. Employees mentioned the doing away with authoritarianism as a good thing the new management team did while mentioning the freezing of the wages as a bad thing it did. They mentioned department and section chiefs, subsection chiefs, workteam leaders, ordinary employees, executive officers, the chairman, and the president in that order as "the people who will take the initiative in the drive to create a new POSCO." This indicates that the employees pin more hopes on the efforts of the mid-level management than the top level or the base level.

POSCO adorned the accomplishment of the 100-day operation for the creation of a new POSCO with the proclamation of the Ethics Program. However, this does not mean an end to the efforts for change. It plans to change the company name, logo, and song by the end of October. In addition, POSCO plans to sell two of its 21 subsidiaries, namely, Pungguk Refinery and Sugwang, and disband or merge seven others to reduce the number of the subsidiaries to 12 by 1996. It also plans to reduce the subsidiaries of subsidiaries to 33 as an initial step by 1994, and ultimately to 19 by 1996.

#### \* Kim Tae-chung's Return Worries President

932C0199A Seoul *WOLGAN CHUNGANG* in Korean  
Aug 93 pp 148-155

[By reporter Kim Tu-u]

[Text] Former Democratic Party [DP] President Kim Tae-chung [KTC] returned home on 4 July after five months "in exile" in England. Now, what kind of relationship he is going to have with President Kim Yong-sam [KYS] is one of the biggest concerns of political circles.

It is silly to ask if he will return to politics, for his presence in the country itself means "politics."

He indeed said dozens of times that he would never be involved in politics again, but if he had really meant it, he could have stayed in Cambridge for, say, another year. The fact is that he came home as scheduled.

A legislator of the former Reunification Democratic Party [RDP] faction in the Democratic Liberal Party [DLP]—who believes that there was no truth to what KTC said about his retirement from politics—even views the timing of his return home with skepticism. According to him, if the return had been a month earlier, it would not have drawn the attention it did. He maintains that at the time when the popularity of the president's reform campaign was at its peak, KYS stood unrivaled, and KTC would have been buried in his shadow.

The reform pace somewhat slowed down, while on the other hand some conservative forces began implicitly awaiting KTC as the only man who could put the brake on reforms. And according to the same legislator, his return was deliberately timed with these developments.

KTC's airport speech to supporters was after all not unrelated to politics. He unleashed a virtual tirade about the reunification issue, the KYS reform campaign, the DP's future course and his plans back home. There was not a single topic in that speech that was unrelated to politics.

Anyhow, if he had really meant to retire from politics, and if he had not wanted to have his name even mentioned, he could have been less talkative. It was impossible that he, after having spent 40 years in politics, did not know the fact that politics begins with word and ends with word.

Anyhow, he repeatedly stressed to supporters in the airport that he "will not return to politics." Let us take a look at his speech that day.

"It is embarrassing that I see so many of you here today. It is because your coming out like this could add fuel to the sort of misunderstanding as you see in media these days concerning if I will return to politics."

"I absolutely will not return to politics. I will not, because it is my destiny. I do not want you to have any expectation or misunderstanding that I might return to politics. I like to say it to media, especially."

"I pride myself on the fact that for 40 years I always kept my word to the people.... Let us work and compete—you inside politics and I outside the political sphere."

His tone was more resolute and confident than ever. It seemed virtually certain that he would not put himself in practical politics, at least for the time being.

It is ironic that KTC, while making remarks linked to politics, still claims that he remains resolved to stay away from politics.

He continued: "I will never intervene in any internal affairs of the party (DP). The leadership elected by the 6,000 delegates at the last national convention should take care of them, with the mainstream and non-mainstream members united around it. In this respect, since I am a DP member, I hope that the support extended to me contributes to the support for the DP. It would be presumptuous of me if I ever meddle in the party's internal affairs."

In other words, he is saying that he will no longer engage himself in "small politics" as he did in the past while the president or chairman of an opposition party keeping elaborate memos and using them when "educating" interpellators or guiding floor tactics to the last details. "I was miserable when I left Korea in late January. It was as if I had been condemned to exile," he said. "But now, there is neither frustration nor pain in me, and my plan for the future is firm," he added, emphasizing that he had regained "the peace of mind."

His future activities will focus on the reunification issue. During his five months' stay in England, he continued to study the Korean Peninsula reunification issue.

The six speeches he made in various European cities chiefly dealt with the reunification issue. They were: "the German Reunification Experience and Prospects in Korea" (at the German Institute of Social Science on 24 February), "My Role in the Pro-Democracy Struggle in Korea" (Cambridge University, 10 May), "Korea's Relations With UK and EC" (the Royal Institute for International Studies, 2 June), "A New Approach to North Korea Policy" (London University, 8 June), "the German Reunification and European Union—and Their Relations With Korea's Reunification" (Oxford University, 14 June), and "the Need for a New Reunification Policy toward North Korea" (Hebrew University, 1 July).

On 11 July, KTC moved his address to No. 1102, Bldg. 304 of Chinhung Apartment Complex in Koyang City, Kyonggi—a 48-pyongyang apartment leased on a deposit basis. With the North Korean nuclear issue emerging as a focus lately, he plans to put off his work on the "Modern Political History of Korea" and instead write first a book on the lessons of the German reunification for Korea based on his research on the European union and German issues.

He also plans to obtain a 43-pyong office space in Aryung Bldg. across from his Tongkyo-tong residence, which he will use to meet people, including professors of universities in the country for advice and suggestions regarding his research activities.

Besides the reunification issue, he is interested in a broader subject—the "development of democracy in the Asian region." He has plans to gather together Corazon

Aquino of the Philippines, Lee Kuan Yew of Singapore, Bhutto of Pakistan, Aung San Suu Kyi of Burma, the Dalai Lama of Tibet, and Fang Lizhi of China in a program dealing with the democracy and human rights issues in Asia.

At the same time, he plans to establish a research institute or foundation to study the reunification issue and invite those leaders there. To that end, he already obtained a letter from former President Carter promising cooperation. Thus, KTC is trying to be an international figure of influence. With regard to his aspirations, he said that he "will have the cooperation of UK's Royal Institute of International Studies, Cambridge University, Germany's Institute of Social Science, and Canada's human rights organizations."

Since his return home, he has strongly displayed his ambitious plans like these. A party executive who was listening to his airport speech said, "KTC seems to be full of enthusiasm to teach us something."

A source close to KTC hinted that he loves at heart to be addressed as "Sonsaeng-nim" ["Mr Teacher"]. It is reminiscent of the story about Mao Zedong, the godfather of the Chinese Communists, that, of all the titles he had, he liked the "People's Teacher" title best.

In England and back home, he continued to dwell on the lessons of the German reunification to politicians, scholars, and reporters.

He says: "The reunited Germany has become the greatest power in Europe. Economically, too, the German central bank, Bundesbank, is playing the role of an EC central bank. If Korea is reunified, it will be second to none in Asia; if not, it will become one of the ruck in Asia.

"Germany is staggering in the wake of its reunification. Although the distinction of East and West Germany was abolished, the differences between the East and West Germans remain. As for us, we should prepare for a sudden collapse of North Korea. An absorbing-type reunification should absolutely not be allowed. North and South Korea should assist each other; nuclear weapons should absolutely not be tolerated. They should positively cooperate with each other and should not make the same mistakes as Germany did."

He said that he would make a speech to the people to that effect in the near future. He also said that he will establish a foundation, do his research, write books, hold seminars, and at the same time let the government know of his views whenever he finds it necessary.

In other words, he means that although he will stay away from practical politics, he will be involved in comprehensive politics, namely, international politics. He has been expressing his intent—both directly and indirectly—not to meddle in intraparty politics but to take part in the debate over reunification, the most sensitive of pending issues.

Amplifying, DP Floor Leader Kim Tae-sik said: "I think that Mr. Kim meant it when he said that he would stay away from politics. Nonetheless, while rising over practical politics, he will play the role of guiding the nation's main political trends from a high place."

In other words, KTC seems to be headed for politics in a broader sense, casting off the small framework of intra-party politics or floor politics.

It is based on this observation that KTC is said to be "trying to be a president of a reunified Korea" or "a 'Sonsaeng-nim' on the reunification issue or a Khom-eyni."

Also, regarding his plan for a forum with human rights leaders in Asia, and his meetings with European political leaders while in England, there is a widespread observation that they were strategic steps he took with the Nobel Peace Prize in mind. Indeed, if he should be a Nobel Peace Prize recipient, he would see not only his prestige skyrocketing internationally and domestically but also his dream of becoming a "reunification president" or "great elder statesman of a reunified Korea" coming true that much quicker.

Chongwadae keeps mum watching KTC's such moves. To persistent reporters asking for comment, officials there would merely say that "we simply have no comment on a former political leader who retired from politics and who has returned home from an overseas trip."

DLP Spokesman Kang Chae-sop also held on to his "no comment" line, saying that "for us in the political sphere to comment on a person having retired from politics is against etiquette."

Lurking behind such attitude is a feeling wary of KTC returning to politics, because even despite his defeat in the presidential election, he had been one of the two pillars of the opposition camp for 20-odd years, the other pillar being KYS, and because every move he makes still can produce an enormous pervasive impact on the political situation.

As for President Kim, it would be best if KTC remains a private citizen exerting no political influence whatsoever. Back home, however, KTC declared that he would speak up to the government as far as the reunification is concerned. This can no way be a pleasant thing for Chongwadae.

The first impact of KTC's return home on the domestic political scenes took the form of a DP demand 11 July that the National Assembly invoke its investigative right and find out the truth about the alleged irregularities surrounding the Yulgok defense buildup program, the 12 December [1979] incident, and the 18 May [1980] Kwangju pro-democracy uprising. The DP offensive that came a day before the scheduled close of the extraordinary National Assembly session was in no small measure inspired by his presence in the country.

While in England, KTC already demanded a National Assembly action to investigate the 12 December coup and the 18 May Kwangju uprising and a formal apology by those responsible. He kept saying to visiting National Assembly members that "the longer it takes them to apologize, the worse the consequences. They do not have to be punished but the facts must come out."

His call for a "powerful opposition" also had a direct effect on the DP leadership.

As for KYS, he has so far freely wielded his sword of reform but, from now on, he will find himself compelled to take KTC's responses into consideration, especially in the handling of such sensitive issues as reunification and labor-management disputes.

Against Chongwadae secretaries' expectations, President Kim sent Chu Ton-sik, senior presidential secretary for political affairs, to a ceremony held to welcome KTC's return. The move showed that KYS still viewed KTC's return from England in the political light despite the latter's repeated assurances of his retirement.

KYS seems to be convinced that "the DP is a KTC party no matter what" and that "KTC will be unable to stay away from politics after all." Judging from the history of the two persons, KYS is actually preparing for the future when he will need KTC.

Therefore, KYS probably decided that a minimum show of respect for the former DP president is not a bad idea. Judging from the history of the two persons, KYS is actually preparing for the future when he will need KTC. [duplicate sentence as printed]

In a surprise move on 15 June, KYS favorably responded to a DP proposal for a government-opposition top leaders meeting. This move, too, is interpreted as an effort to apply the brake on KTC's influence. Thus, DP President Yi Ki-taek—who had sought the proposed meeting from immediately after the DP leadership election in March only to be given a cold shoulder by KYS—thus finally achieved his aim one day before his departure for London to see KTC.

On Yi Ki-taek who emerged from the meeting all smiles, an influential DP lawmaker commented: "If a large sum of political fund had changed hands between them, Mr. Yi would have been more careful about his expression. By all means, it appears that President Kim gave his word to Mr. Yi to that 'once KTC returns home, I will take care of him for you, so you will go ahead and control the opposition.'"

This sort of observation spread through the political quarters with a considerable amount of persuasion. Yi can indeed shut off much of the political influence of KTC as soon as he establishes himself as a leader capable of managing the opposition for himself, although under the present circumstances he no doubt needs KTC's support for the time being. For now, Yi Ki-taek seems to be preparing the highest honorable treatment for KTC.

Concerning his relationship with KTC, Yi said that "Sonsaeng-nim (meaning KTC) is saying that he will work outside the party for the nation. Actually, however, whatever he does, it cannot be unrelated to politics." "On important matters, I see it as advisable for the party to consult him and get his advice as necessary." Yi even said that "we are fortunate to have such a great leader at a time like this when we need the help of all the leaders we have. Seeking his advice is in the interest of the party and the nation."

It does not seem to be an act seeking an instant effect that KYS is trying to stir up Yi's morale. It is impossible that KYS, viewing the DP as a KTC "private party," is unaware that KTC's influence is virtually an absolutely essential factor in the future race for the DP presidency and the next DP presidential candidate.

If there should come the slightest crack in the KTC - Yi Ki-taek cooperation, KYS's long-term strategy will begin showing results.

Prior to KTC's return, President Kim opened the door to him by saying that "when former DP President Kim returns home, I would like to see him and hear his opinions." It was a reminder of what he had promised to KTC when the latter left the country in late January.

Asked about the possibility of a meeting between him and KYS in Chongwadae, KTC answered: "I think that there is no reason why we cannot meet. Presently, however, President Kim is working hard and I don't have anything special to say to him. Also, so many things are being said about whether I will return to politics. The point is that I have to respect the public opinion. I will study the matter for some more time, discussing it with the DP, too."

Meanwhile, a source close to KTC said: "The fact that Chongwadae helped DP President Yi enhance his image reflects its attempt to weaken Mr. Kim Tae-chung's position, doesn't it? This shows that President Kim wants to do without sonsaeng-nim's help as much as possible."

Put together, their stories indicate that the two sides are in the process of reading each other's mind. Consequently, it is not likely that a KYS-KTC meeting will materialize in the near future.

Then, the question arises: What sort of relationship KTC will maintain with KYS?

A review of KTC's remarks makes its limits even clearer. Stating that "President Kim's reform must succeed by all means," he emphasized that "I will cooperate as a citizen." Also, after expressing a positive view of KYS by saying that "President Kim made great efforts and achieved significant successes in a few areas," he added: "He says that he will now embark on reforms by the law and system and I wish him success in them too"—seemingly, all well wishing remarks.

On the other hand, he also said: "A strong government and a popular president need a powerful opposition." "Only when a powerful opposition holds the conservative forces in check can the president carry out reforms."

All in all, KTC made his position clear that he will support KYS as long as he pushes on with reforms but will turn against him if he backs down." Evidently, KTC drove a wedge in to push KYS down the one-way road of reform.

Heretofore, even when KTC made such elder statesman-like comments during his overseas tour as that "reforms must succeed, at least not to give the reactionaries a chance for reactionary moves," it in fact provided invisible support for President Kim. It is unknown, however, if KTC will remain quiet when KTC shifts his more or less away from the progressive side over the reunification and labor issues in the future.

With all these factors taken into consideration, it is extremely unlikely that KTC will attempt a political comeback or an alliance with anti-KYS forces in the ruling camp. The conservative factions in the DLP—the former Democratic Justice Party [DJP] and New Democratic Republican Party [NDRP] factions—will not support KTC in the first place; moreover, a tie-up with the DJP and NDRP factions in the DLP could mean an end of KTC's political life, not to mention his political line.

One thing open to assumption is this case: Either the conservatives exploit a situation in which KYS is held in check by KTC or KTC exploits an anti-KYS move within the DLP.

Also possible is a scenario of a KYS-KTC alliance leading to a realignment of political forces.

Under the existing conditions, despite the discontent of the DJP and NDRP factions, KYS can easily expect to carry on the political initiative for himself all the way through for five years if only he develops an image of more or less embracing these factions.

If KTC should offer KYS his full support, nothing could be better than that for KYS. But it is impossible to expect KTC to come up with unconditional support. Also, if KYS should ever mention a political realignment plan, it would trigger a wholesale defection of the DJP faction, touching off a possible economic crisis, not to mention a political chaos.

KYS holds the initiative for a political realignment, but a key to its success lies in the hands of KTC. A merger with the DP without KTC's blessing is impossible; at the same time, there cannot even be a discussion of such merger unless KYS first makes up his mind for it. These are the realities.

If President Kim should fail to catch neither hares—reform and economic revitalization—and if he should, as a result, encounter a gigantic, organized counteroffensive of the conservative forces, then a tie-up between the

two Kims could become a possibility. KYS and KTC have repeated cooperation and competition between them for tens of years. They joined hands when they together faced a powerful foe; when the crisis was over, they turned their back on each other. In view of this history of their relationship, some see the tie-up scenario as plausible.

Realistically, however, the conservatives have no strength left for an organized campaign; nor do they have a leader. The possibility of such a tie-up is almost nil unless President Kim drives the DJP faction too much to the wall.

More likely is a case in which a breakthrough in the North-South Korea relations leads up to a tie-up between the two Kims.

In case the North Korean regime collapses suddenly or reunification becomes a political agenda, KTC can smoothly return to politics riding on the high image he has built by then. At a time like that, with reunification imminent, the prevailing situation would require a leader acceptable to both North and South Korea, a situation KTC finds most desirable for him.

And in such a situation, if he wins the support of all the people and successfully leads the reunification cause, he can put to rest overnight any controversies over a retirement pledge that has been scrapped. KTC perhaps was hoping for this sort of development when he decided to stake his future on the reunification issue.

As for KYS, he will also need a powerful and popular political force in South Korea in case such a situation unfolds suddenly. He will have no alternative but to embrace KTC as well as the DP.

There is no possibility of this scenario becoming a fact in the immediate future. There are no reasons that the two Kims should meet in haste.

Consequently, the two Kims are likely to keep a respectful distance between them for the time being, maintaining a watch on each other's moves. As for KTC, he will find no need to criticize KYS or to support him positively. Judging from their styles, KTC is likely to stick to his way working on environment and waiting for KYS to stretch out his hand.

In the relationship between the two Kims, whoever makes the first move will find himself at a disadvantage. Who will be the winner in this endurance contest is noteworthy.

#### \* Kim Tae-chung's Ambitious New Project

932C01984 Seoul WOLGAN CHUNGANG in Korean  
Aug 93 pp 156- 157

[Article by reporter Sin Chae-hyong]

[Text] Since his return home from his overseas trip, former Democratic Party [DP] President Kim Tae-chung is stepping up his activities. After taking a rest at his home in Tonggyo-tong-tong, Seoul, Mr. Kim cut off an unbroken stream of visitors and moved into a rented apartment in Iksan, a new town, to concentrate on researches into the unification issue and write books. He has moved the books on various subjects he collected in England and Europe to this apartment. At the same time, he rented an office in Arung Building on the opposite side of the street from his Tonggyo-tong-tong home.

This Office will be remodeled into a data room, a conference room, a writing room, etc., to file various materials needed in research and hold meetings of an advisory professor group. The office will be occupied beginning in late July or in early August. It will be used as a kind of liaison office in research, and supposed to become a springboard for developing into "a world-class authoritative research center," the idea he mulled over way before his retirement from politics.

Professors to be included in the advisory professor group are: Mr. H at the department of social science, Seoul University; Mr. Lee at the department of political science, Kyonghui University; Mr L, former Professor of economics at Seoul University, who has experience in government administration; Professor P of the department of economics at Seoul University; Mr. L, former professor of political science at Seoul University, in addition to the group of professors with whom he maintained intimate ties in the past. During his stay in Ulsan, Kim Tae-chung will meet no visitors and receive no phone calls.

Reportedly, he is planning to engage in research activities in the following three areas: making preparations to write a modern Korean history from his unique view of history; studying ways to realize the unification of the Korean Peninsula and minimize the adverse after-effects of unification once it is achieved; and working out concrete action plans for promoting peace and democracy in Asia. He plans to establish the "Asia Peace Foundation" (tentative name) to back up these research activities.

In addition, Kim Tae-hung is pressing persons concerned to create as soon as possible a welfare foundation for the handicapped, which he pledged during the presidential election campaign to establish. The research foundation and the welfare foundation are supposed to receive international assistance. The British (Royal Institute for International Studies), Cambridge University, Oxford University, the "Institute of Social Sciences" in Berlin, Germany, and the Carter Foundation of the United States have promised mutual ties and assistance.

For the time being Kim Tae-chung plans to concentrate his efforts on the unification issue. His idea about the unification issue seems to have entered the stage of perfection. He has indicated that he will outline his ideas about the unification issue in his university lectures

scheduled for this fall. It is almost certain that he will deliver lectures at the Seoul University School of Government Administration and Kyonghui University School of Peace and Welfare. Reportedly, he is hesitating to accept the offer from Yonsei University President Song Chae for a position of special professorship at the East-West Cultural Institute because in his words "the job is beyond my ability and I cannot concentrate exclusively on the job."

To promote peace, democracy, and solidarity in Asia, Kim Tae-chung is thinking of making joint efforts with Corazon Aquino of the Philippines, Bhutto of Pakistan, Aung San Suu Kyi of Burma, Dalai Lama of Tibet, and Fang Lizhi of China. When he compares his role with those of Jimmy Carter, Robert Kennedy, and Henry Kissinger of the United States, Palme of Sweden, Willy Brandt of West Germany, and Gorbachev of the former Soviet Union, Kim Tae-chung must be searching for his role in the Asian region. During his days as a politician, he paid much attention to the moves of these politicians.

Kim Tae-chung plans to visit Germany this fall. Explaining his purpose, he said: "During my last visit I saw glimpses of the real state of Germany at the bottom, but I want to further look into the corners I missed and like to know what advices its leaders have to offer."

He is studying a plan to bring Korean experts on the unification issue with him and host a forum at the Berlin Social Affairs Institute during his visit to Germany this fall. He also plans to stop over in the United States to push cooperation with the Carter Foundation, which promised assistance in a letter.

From the standpoint that we should not allow anything like the adverse after-effects of German unification to happen in Korea, he is carefully putting the final touches to his idea of three-stage unification formula.

While absorbed in working out a strategy to cope with what might happen in a turmoil created by the sudden death of Kim Il-song or a sudden disintegration of North Korea, Kim Tae-chung is reportedly studying very carefully the U.S. reaction to the issues involving North Korea's nuclear development, and the possible effects of the Sino-Japanese arms race on Northeast Asia.

For this reason, Kim Tae-chung will postpone his plan to write a modern Korean history from his unique view of history, to which he originally attached priority. This is to say that he will concentrate his efforts on these goals: to help relax tension between North and South by presenting an idea and vision for realizing unification on the Korean Peninsula; help remove tension created between China and Japan over the Korean Peninsula; and support the democratization of Asian nations and promote common prosperity in these countries.

Kim Tae-chung perceives the moves toward regional integration as the current of the times. From his inquiries into the process of integration of the EC, he concludes that the major obstacles to the prosperity and

solidarity of Asian countries are their domestic political situations and their industrial structures which compete against one another.

In his 2 June lecture at the British Royal Institute for International Studies, Kim Tae-chung said: "When I say good-by to England, I will say that the time I have spent here enabled me to recover my peace of mind." Pointing out that he missed the chance of receiving the 1987 Nobel peace at the last minute, his close aides expressed the hope that he will get another chance.

#### **Former Navy Officers, Civilian Sentenced**

SK2309092193 Seoul YONHAP in English 0553 GMT  
23 Sep 93

[Text] Seoul, Sept. 23 (YONHAP)—Three former Navy officers and a civilian convicted of bribery in naval weapons purchases and promotions have been sentenced to prison terms of from three to six years.

Panel No. 21 (presiding Judge Kwak Tong-yo) of the Seoul District Criminal Court Thursday sentenced Former Chief of Naval Operations Kim Chol-u to six years in prison and a fine of 300 million won for taking bribes from arms dealers in connection of the Korean destroyer program.

Chong Ui-song, a representative of Haxan Enterprise, was given one and half years in prison for bribing Kim.

Former Chief of Naval Operations Kim Chong-ho and Former Marine Corps Commandant Cho Ki-yop received six years in prison and a fine of 373 million won and three years in prison and a fine of 60 million won, respectively, for taking bribes from junior officers in return for promotions.

#### **Number of Military Attachés Abroad To Be Reduced**

SK2309112393 Seoul YONHAP in English 0837 GMT  
23 Sep 93

[Text] Seoul, Sept. 23 (YONHAP)—The government is to reduce the number of attachés at overseas diplomatic

missions from more than 400 to about 320 and lower the diplomatic rank of colonel-grade military attachés from grade two to grade three.

The office of the senior presidential secretary for petitions and information issued the instruction to the foreign and related ministries on Thursday. The order follows an inspection of 17 overseas missions between July 24 and Aug. 4.

In the directive, ministries were urged to reduce or cut back to none the number of their attachés, particularly in the missions with two or more of their attachés are posted or in the missions where there is no longer a reason for an attaché's presence.

It told the foreign minister to dismiss or warn the chiefs of four overseas missions for passive trade diplomacy.

Judging that multi-pronged inspections by the Foreign Ministry, Agency for National Security Planning and Board of Audit and Inspection are hampering routine diplomatic activities at affected missions, the government will limit NSP security inspections to genuine security matters.

Even with audits of information budget executions, the ministry will be empowered to conduct them itself and pass the results to the NSP in written form.

The administration has come to question the efficiency of the annual meetings of mission chiefs in Seoul, officials said. In order to reduce waste, it has decided to hold several regional gatherings instead.

It has decided to reconsider plans to purchase real estate housing missions abroad or official residences of diplomats since the project has been managed recklessly.

"Currently, the rate of real estate is running at about 30 percent, a similar level to Japan's. An all-out review of the program is needed from the perspective of reducing budgetary expenditure," one official said.

The government also decided to expand overseas education facilities, currently concentrated in Japan, to China and other regions to give more chance to Korean residents there for a Korean education.

**Burma****Immigration, Border Talks Held With Bangladesh**

*BK2409145993 Rangoon Radio Burma in Burmese  
1330 GMT 24 Sep 93*

[Text] U Maung Aung, director general of the Immigration and Manpower Department, led the Myanmar [Burmese] delegation; and Major General (Mohamed Anwar Hussein), director general of the Bangladesh Rifles, led the Bangladeshi delegation at a meeting on bilateral immigration and increased border crossings at the meeting hall of the Census and Computer Division of the Immigration and Manpower Department from 1000 till 1300.

**Khin Nyunt Meets Bangladesh Official**

*BK2409150593 Rangoon Radio Burma in Burmese  
1330 GMT 24 Sep 93*

[Text] Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council of the Union of Myanmar [Burma], received Major General (Mohamed Anwar Hussein), director general of the Bangladesh Rifles of the Republic of Bangladesh, and party, currently visiting Yangon [Rangoon], at the Defense Ministry's Dagon House at 1700 this evening.

Present at the meeting were U Ohn Gyaw, minister of foreign affairs; Thura U Aung Htet, director general of the Protocol department; U Maung Aung, director general of the Immigration and Manpower Department; and Mr. Mostafa Faruque Mohammed, ambassador of Bangladesh [name and title as heard].

**SLORC Chief Receives Visiting Japanese MP's**

*BK2309151693 Rangoon Radio Burma in Burmese  
1330 GMT 23 Sep 93*

[Text] Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma], received Mr. Koichi Kato and Mr. Shin Sakurai, visiting Japanese members of parliament, at the Ministry of Defense's Dagon House at 0800 today. Present on the occasion were U Nyunt Swe, deputy minister of foreign affairs; U Lu Maw, deputy director general of the Protocol Department; and Mr. Takashi Tajima, ambassador of Japan.

**Air Force Chief Returns From Thai Air Show**

*BK2509144193 Rangoon Radio Burma in Burmese  
1330 GMT 25 Sep 93*

[Text] Lieutenant General Thein Win, air force commander in chief, and his delegation returned to Yangon [Rangoon] from Thailand by air this evening.

The delegation was welcomed at Yangon [Rangoon] airport by Lt. Gen. Khin Nyunt, secretary-1 of the State Law and Order Restoration Council; Vice Admiral Than Nyunt, minister of health; Brigadier General Lun

Maung, minister of prime minister's office; U Win Sein, minister of rail transportation; U San Wai, deputy minister of transport; senior military officials from the Defense Ministry; Wirasak Futrakun, ambassador of Thailand; Military Attaché (Pracharn Karasak) [rank not given]; and relatives.

Lieutenant General Thein Win and his delegation left for Thailand on 20 September and attended the air show held there.

**Minister, Delegation Leave for Manila UN Meeting**

*BK2609145593 Rangoon Radio Burma in Burmese  
1330 GMT 26 Sep 93*

[Text] A Myanmar [Burmese] delegation led by Education Minister Colonel Pe Thein left by air this morning to attend the ministerial level coordination meeting on objectives on children and development in the 1990s jointly sponsored by the Philippines Government and UNICEF to be held in Manila from 27-29 September 1993.

The delegation was seen off at Yangon [Rangoon] airport by Brigadier General Abel, minister of national planning and economic development; U Soe Tha, minister of communications, post, and telegraphs; Philippine Ambassador Mr. Rosario V. Carino; Mr. (K. Ray), UNICEF program officer; Mr. E.D. (Benson), UNICEF education officer; directors general and chairmen from departments and boards under the Education and Health Ministries; responsible personnel, and relatives.

Dr. Kyaw Win, director general of health department, Ministry of Health, and U Han Tin, rector of Institute of Education, accompanied the minister as delegation members.

**SLORC Appoints Two Chief Court Judges**

*BK2309151093 Rangoon Radio Burma in Burmese  
1330 GMT 23 Sep 93*

[Order No. 3/93 of the State Law and Order Restoration Council of the Union of Burma, issued on 23 September 1993]

**[Text] Appointment of Chief Court Judges**

The State Law and Order Restoration Council [SLORC] has appointed the following persons as chief court justices with effect from today.

1. U Tin Ohn, chief court judge
2. U Tin Htut Naing, chief court judge

By the authority vested in me,

[Signed] Khin Nyunt, Lieutenant General, secretary-1 of SLORC

**Political Parties Protest Constitutional Provisions**

*BK2409105393 Oslo Democratic Voice of Burma in Burmese 1430 GMT 23 Sep 93*

[Text] Dear listeners, four major political parties inside Burma, including the National League for Democracy [NLD] and the Shan Nationalities League for Democracy, sent an official protest letter to the SLORC [State Law and Order Restoration Council] saying that they will not accept the forced adoption of constitutional provisions at the SLORC's national convention. The Democratic Voice of Burma [DVB] has learned that U Aung Shwe and U Lwin, the NLD leaders inside Burma, in this connection, were warned by military intelligence on 16 September.

The political parties are now undauntedly protesting the constitution in which the Defense Services dominate the future Burmese politics. The DVB would like to remind that the time has now arrived for the members of the NLD inside Burma to decisively oppose the SLORC military dictatorship by ignoring the party's stance which has been constrained under the SLORC's oppression.

**New Anti-Regime Guerrilla Group Established**

*BK2609022893 Bangkok THE SUNDAY POST in English 26 Sep 93 p 5*

[Text] A new anti-Rangoon guerrilla group has been formed inside Burma, just across from Mae Hong Son province, with its main aim to fight the Burmese military junta.

Myo Thant, leader of the National Liberation Union for Justice in Burma (NLUJB), said yesterday that about 150 men were under arms and well-trained to fight alongside other forces opposing the State Law and Order Restoration Council (Slorc). Most of his troops are former members of the All-Burma Students' Democratic Front (ABSDF) which has been disintegrating because of prolonged infighting and factionalism.

A former teacher at Monywa district Mandalay, Myo Thant, 36, said he fled to the jungle to join the guerrillas' cause after the bloody crackdown on the prodemocracy movement by the military junta five years ago. He claimed he has spent most of his time at the front line fighting Burmese troops. The NLUJB was founded after a meeting of his comrades early this month.

"From now on, we will also start contacting the outside world," said Myo Thant, who claimed to be one of the founding members of the ABSDF.

He declined to comment on the internal conflicts in the ABSDF, but said he would try to have his group recognised by other resistance forces. "This year we will let people in Burma and in foreign countries know about our activities," he said.

**Brunei, Malaysia & Singapore**

**Malaysia**

**Cabinet Approves Acquisition of New Vessels**

*BK2609121793 Kuala Lumpur NEW STRAITS TIMES in English 24 Sep 93 p 7*

[By M. Jeffri Razali and Vijesh Rai]

[Text] Kuala Lumpur, Thurs.—The cabinet has given the go-ahead to the Royal Malaysian Navy (RMN) to acquire 27 offshore patrol vessels costing 4 billion ringgit over a 20-year period. Announcing this today, Defence Minister Datuk Sri Najib Tun Razak said Naval Dockyard Co. Ltd., the company which took over the naval dockyard in Lumut, had been appointed the main contractor. He said the construction of the vessels would be spread out between the Sixth Malaysia Plan which ends in 1995 and the Tenth Malaysia Plan.

Each warship would be 80 metres long and weigh between 1,000 and 1,300 metric tonnes. He added that the project had been given national priority in view of the government's recognition of the RMN's urgent need to replace its ageing fleet of patrol craft. The decision that the warships be fitted with basic armaments including naval guns for a start was made by the cabinet at its weekly meeting last Wednesday.

Najib said the project represented the single largest financial forward commitment by the government in the history of defence equipment procurements. He was speaking to newsmen after meeting President of the Canadian Senate, Guy Charbonneau, at his office at Wisma Pertahanan (Defense Building) in Jalan Padang Tembak here.

He said the construction of the vessels would coincide with the gradual decommissioning of the ageing vessels, most of which had been in service for more than 30 years. The "youngest" of the patrol craft is 25 years old while the "oldest" has seen about 33 years of service in the RMN.

Najib said the composition of local components for the project was estimated at 25 percent in the initial stage and would be increased to about 80 percent by the Tenth Malaysia Plan. He said although the decision was to equip these ships with basic weapons, the missiles and other sophisticated weaponry could be installed later when the funds were available. He added several equipment including the engine armaments and the command and control systems would be supplied by the government.

"This will create a more competitive environment and the government will also be able to attach some conditions to the equipment's manufacturers to have the items manufactured here," said Najib.

Najib said as a national project, the government might provide funds in the form of loans or additional equity to enlarge Naval Dockyard's capacity to undertake the project.

"The government is confident the project will have a positive impact on the development of the economy, industry and technology while meeting its primary objective of beefing up the country's defence," he said.

On the possibility of foreign naval firms participating in the project through joint ventures or as sub-contractors, he added, a selection exercise would be carried out soon. Thirty foreign naval construction firms from 27 countries have submitted their bids to build the warships. These firms include those from Australia, Germany, France, United Kingdom, Sweden, New Zealand, and Denmark. The first vessel is expected to be ready within 48 months after the signing of the agreement between Naval Dockyard and the chosen foreign firm. It is expected that the dockyard will be able to produce two ships per year.

Meanwhile, Armed Forces chief General Tan Sri Abdul Rahman Hamid said the go-ahead to purchase the vessels was something the Armed Forces had been waiting for a long time. Abdul Rahman said the RMN had a fleet of 24 patrol vessels but six had been decommissioned as they were confirmed to be no longer seaworthy.

"The first batch of vessels will be used to replace the six that have been decommissioned," he told reporters at a tea party organised for handicapped Armed Forces members at Rumah Perwira [Officers' House] in Jalan Bellamy here.

As the construction of the warships would take considerable time, Abdul Rahman said it would be necessary to extend the lifespan of some of the existing patrol vessels.

RMN chief Laksamana Madya [Vice Admiral] Datuk Sri Mohamed Sharif Ishak, who was present at the party said navy engineers, architects and technicians would gain invaluable experience from the local construction of warships. He said there would be no problem in manning the new vessels as their equipment would be comparable to those being used on board the existing fleet.

#### **Johor Minister Views Drop in Foreign Investment**

*BK2509083293 Kuala Lumpur Voice of Malaysia in English 0600 GMT 25 Sep 93*

[Text] Foreign investment in Johor state has dropped because the government is cautious about the type of industry. Johor Chief Minister Tan Sri Muhyiddin Yasin told a state legislative assembly meeting that this was to ensure there was no duplication in the type of industry. From January to June this year, 56 local companies and eight foreigners invested in industrial areas opened by the State Economic Development Corporation. The chief minister added that although the number of foreign investors declined, there was an increase of local ones.

#### **Cambodia**

##### **Ranariddh, Hun Sen Leave for UN General Assembly**

*BK2909051893 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 29 Sep 93*

[Text] At 0830 on 29 September, the high-ranking delegation of the Royal National Government of Cambodia, led by Prince Kromluong Norodom Ranariddh, first prime minister; and His Excellency [H.E.] Hun Sen, second prime minister, left Phnom Penh for New York to attend the 48th UN General Assembly.

Seeing the delegation off at Pochentong airport were Samdech Chakrei Nhoek Chulong; H.E. Keat Chhon and H.E. Ung Phan, deputy prime ministers; H.E. Ing Kiet and H.E. Van Molivan, state ministers; H.E. Thao Pengleat, governor of the the National Bank; and civilian and military officials of the royal national government; along with diplomats of foreign countries accredited to Cambodia.

##### **Ranariddh, Chea Sim Sign Cooperation Memorandum**

*BK2509105193 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 25 Sep 93*

[Memorandum on discussion and agreement reached between the FUNCINPEC Party and Cambodian People's Party—read by announcer]

[Text] In compliance with the spirit of the agreement dated 20 November 1991 signed between the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party and Cambodian People's Party [CPP], with the desire to continue implementing the good cooperation between the two parties established and developed since the formation of the Provisional National Government of Cambodia under the cool shade of the head of state Prince Norodom Sihanouk—father of national reconciliation—with an aim to continue maintaining and consolidating Cambodia's political stability in the future after a permanent government is formed, and in order to create favorable conditions for His Royal Highness Prince Norodom Sihanouk to carry out his royal mission for the nation, the FUNCINPEC Party represented by Prince Kromluong Norodom Ranariddh and the CPP represented by His Excellency [H.E.] Chea Sim agree:

1. To continue effectively implementing the agreement signed between the two parties on 20 November 1991 by expanding and consolidating their cooperation in the assembly and government and at all levels.

2. While forging a good alliance and cooperation with each other, the two parties pledge to respect the sovereignty of each party in deciding national and international policies. The two parties will discuss with each other all major issues regarding the nation's political life.

3. Looking forward to the future of the nation, the two parties will strive to give internal education to their party members from top to bottom with the aim of ending all the past problems and jointly defend and rebuild the country.

4. The Coordinating Committees of the two parties will hold discussions to seek solution of all problems arising from the implementation of their agreement and this memorandum.

[Dated] Phnom Penh, 25 September 1993

[Signed] FUNCINPEC chairman, Prince Kromluong Ranariddh; CPP chairman, H.E. Chea Sim

#### King Sihanouk Addresses People in Prey Veng

BK2809094593 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT  
27 Sep 93

[Speech by King Norodom Sihanouk at a mass meeting in Baphnum District, Prey Veng Province, on 27 September—recorded]

[Text] I would like to bow in deep respect to all venerable Buddhist monks representing the holy Buddhist clergy in our glorious Prey Veng Province, including a number of other venerables who are here as the eminent representatives of our most treasured and most revered Buddhism. My respects also go to all grandfathers, grandmothers, uncles, aunts, brothers, sisters, children, grandchildren, and great-grandchildren whom your King Father and Queen Mother love and miss so much and who are the eminent officials and eminent representatives of this most beloved province of Prey Veng.

I salute His Excellency [H.E.] Chairman Chea Sim; Prince Kromluong Norodom Ranariddh and the princess consort; H.E. Hun Sen and madame; the governor of Prey Veng Province and madame; H.E. Kong Sam-ol and madame; excellencies, madames, gentlemen, ladies; and all the beloved children and grandchildren of your King Father and Queen Mother.

I and my wife, your King Father and Queen Mother, are extremely elated at the honor and opportunity today to visit Prey Veng Province for the second time since our permanent homecoming in November 1991 to live with all of you forever.

Here with me are H.E. Chea Sim, whom I have regarded as my younger brother since my return home, and H.E. Hun Sen, whom I have regarded as one of my sons also since my return home. Coming to Prey Veng Province I would like to avail myself of this excellent occasion to

thank H.E. Chairman Chea Sim for making around-the-clock efforts to bring development to our Prey Veng Province following in the footsteps of the Sangkum Reas Niyum era, of your King Father's era. His excellency has spared no efforts to serve the people and the monks of Prey Veng Province. His excellency and his administration have served the nation and the beloved and respected people of Prey Veng Province, bringing about growth and development in all fields. We had many problems in the days after the coup d'état was staged [words indistinct] and we also had bitter problems during the days of Messrs. Khmer Rouge.

However, now we are reunited, and now there is national reconciliation. We have agreed to bury all the bitternesses of the past when we suffered so many miseries and separations as the venerable abbot reminded me just now: Dear King Father, we were separated from one another for 40 years. We are now reunited, my children! We are in a new era that is glorious again, my children! We are reunited and reconciled in full independence [applause] and sovereignty, and from now on, it is all of you, the children, who—through the recently promulgated Constitution, which represents the unanimous decision of our people, who are the masters of the water and the land—are the masters of independent Cambodia's water, land, and destiny forever. [applause]

You, my children—the people, the masters of the country and the power—have chosen in a universal election to restore the monarchy as in the glorious times of Angkor and Sangkum Reas Niyum. You have considered the king, the throne, your King Father as the shade for all of you, as the symbol of national independence, territorial integrity, unity, and reunification of the 8 million Cambodians who constitute the greatest force for national defense and reconstruction. [applause] The monarchy, the throne, the royal parasol, in other words, the kings—not just King Sihanouk alone but all future kings, too—guarantee that they will respect human rights, respect the Constitution by surrendering all the power, namely the legislative power of the National Assembly to make laws; the executive power of the government, of the administration to serve the people and build the motherland; and the judicial power to seek justice for the people, a power that is totally separated from the parliament and the government, an independent judiciary so as to ensure justice for the people. The kings guarantee everything; they guarantee that the people enjoy all kinds of freedom and rights in their capacity as citizens of a truly independent and democratic country. All of you, my 8 million children, young and old, men and women alike, who are living in our Kingdom of Cambodia can have all of that from now on. [applause]

Therefore, we must not be mistaken: The monarchy neither rules over the children nor assumes power. The king is only a shelter, a protector of the children and the nation. The king and throne assure you that from now on we have a liberal democracy, meaning the people are the masters of the water, land, and every kind of power. The

deputies are responsible to the people and the government is responsible to the deputies. [applause] Therefore, we are entering a new era that is the best ever. We are second to no other countries, be it the United States, France, Great Britain, or any other countries that boast of being a liberal democracy politically, socially, economically, culturally, and so on. These countries claim to accord full freedom to their citizens. From now on, thanks to the Constitution compiled and passed by your 120 deputies in our parliament and also ratified with the signature of King Norodom Sihanouk, our country is ashamed of no one. Our country is entering an era in which Cambodia has become a liberal democracy second to no other countries, be it the United States, France, or Great Britain. [applause] We are entering an epoch in which we have all kinds of means to build our nation so that it can catch up with the times, with the rest of the world as it lagged behind for the past 23 years.

We will make joint efforts in the race to catch up with the rest of the world so that we are ashamed of no one, so that we deserve to be the descendants of Angkor. [applause]

That is all I have to clarify to you, my children. I do not want to waste your time. Let me tell you this: I have been thoroughly informed by the governor, by the administration of Prey Veng Province, by the royal government that in some areas in Prey Veng despite all the great efforts made by my children in agriculture, for example—which is the lifeline of our nation—many of my children still experience severe shortages, such as in seeds and seedlings. I have requested our royal government to look into this problem and solve it to the best of its ability.

As a matter of fact, we have to thank two of my great friends. First, H.E. the prime minister representing the royal government of His Majesty the King of Thailand—which since time immemorial has always been a good brother to all of us Cambodians—decided to send to me aid in the forms of blankets, scarves, and mosquito nets. Hundreds of these goods have been brought here to be distributed to you, my children.

It is also of note that another of my great friends whom I regard as my most respected and beloved elder brother, namely H.E. President Suharto of great Indonesia, sent a considerable amount of rice to me to be distributed to my needy children in some of the affected areas.

So, today, I come here bringing with me the gifts most generously donated by the very charitable Kingdom of Thailand and the aid so kindly given me by H.E. President Suharto of great Indonesia [word indistinct] in Baphnum to hand over to my children. I have invited H.E. the ambassador of Indonesia, H.E. the ambassador of the Kingdom of Thailand and madame, and General Navet na Nongkhai of the Royal Armed Forces of the Kingdom of Thailand to come here in friendship as brothers in the same family to bring help to you, my

children, on behalf of their two great countries, namely Indonesia and Thailand. [applause]

Dear children: As a conclusion to my speech I would like to express thanks and gratitude to the supreme patriarch and all venerable monks. I thank all my children, all the people, all the citizens of Prey Veng and of all other provinces throughout the Kingdom of Cambodia, all the 8 million Cambodians who so kindly listen to my advice that we must be reunited, we must be reconciled so that we can be happy and joyful again as we were before the coup d'état of Mr. Lon Nol. We lived very happily and joyfully under our Sangkum Reas Niyum headed by your King Father. We must continue the good work of the Angkor era, of the Sangkum Reas Niyum era. We must make our country strong in its position of peace. Without joy there can be no happiness. Without happiness there can be no freedom. Without freedom there can be no possibility to build and make our nation prosperous like others. For this reason, we are very glad today that we are united, that we have solidarity and unity in our nation, that we have succeeded in bringing peace to the country. [applause]

We therefore have achieved solidarity, national unity, and peace. We thus have a firm position. With national independence restored, our position has even become unshakeable for us to build our country and bring back prosperity and glory as in the times of Sangkum Reas Niyum. From there, we will link ourselves with the times of Angkor, which was the most glorious era in our history, the equal of all great past civilizations of the world. Therefore, it is a great wonder for all our people to be reunited. It is very good of you, the people in Prey Veng and those in Baphnum, to help treasure national unity and bring prosperity to our country in all fields, such as education, public health, economy, and so on.

Under the protection of Buddhism, we are confident that from now on we have the means to preserve happiness for all of us the 8 million people and to maintain independence and sovereignty for our motherland. We have the means to make our nation prosper by relying mainly on our own strength. Cambodia must be self-reliant. Of course, Cambodia also relies on friends. Our foreign friends are ready to help us rebuild the nation. More and more of our friends will come in to help us. The United Nations, too, will continue to help us. However, we must rely on our representatives whom the people selected in the free general election of 23-28 May. We now have our parliament represented here by H.E. Chairman Chea Sim, a deputy of the people of Prey Veng [as heard; bureau records list Chea Sim as an MP from Phnom Penh]. We also have a royal government of Cambodia born out of the elections and entrusted with the administrative power by the people. This government is headed by Prince Kromluong Norodom Ranariddh as first prime minister and H.E. Hun Sen as second prime minister. It is therefore a good thing for all of us to be reunited. In the election, the people gave their votes of confidence to the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative

Cambodia] party with Prince Norodom Ranariddh, now Prince Kromluong Norodom Ranariddh, as the leader and to the Cambodian People's Party with H.E. Chea Sim and H.E. Hun Sen as chairman and vice chairman. The people gave their votes to these two parties to run the country. Therefore, these two parties have the great, historic honor to manage the country for the people. Do not misunderstand, however. From now on, everybody, be it the king or the government, must consider himself the servant of the people. He is not the ruler but the servant. He is, in French, serviteur du peuple.

So we are the servants of the people. Therefore, you, my children, must consider the king, the parliament, or the government as your servants. [applause] Since the king only rules but does not govern, the parliament and the government are the ones who are responsible to you. Consequently, if you want something, you should contact the parliament which is your personal representative. If you want something, you should contact the government, which is your servant. If you need to directly talk to the parliament, the government, that is, the authorities, you can do so in the national congresses as we did in the times of Sangkum Reas Niyum. Therefore, from now on you have the freedom, the good possibility to protect your own freedom, rights, means, and livelihood for the sake of your own prosperity and advancement. [applause]

That is the end of my speech. I beg H.E. Palace Minister Kong Sam-ol to come up and tell us what gifts we have to be distributed and how they will be distributed to the people. The minister will inform you, dear children, what each of you will get, especially the handicapped, the elderly, and the students.

I take this opportunity to thank all beloved children for helping to package the gifts that H.E. Kong Sam-ol has brought here. I also thank the children in the Prey Veng administration of Prey Veng Province for arranging this excellent place for me to meet with my children, grandchildren, and great-grandchildren and to give them all these gifts. Moreover, I would like to ask you this: since we have a lot of gifts to distribute to so many of you, will you agree to this arrangement: I, my queen, Prince Kromluong Norodom Ranariddh, his princess consort, H.E. Chea Sim, H.E. Hun Sen and madame, H.E. the Indonesian ambassador, and H.E. the ambassador of the Kingdom of Thailand—about 10 of us—will simultaneously distribute the gifts to you. Will this be feasible? It is only my suggestion. If H.E. Kong Sam-ol and the governor have other ideas, that would be fine. I only wish that the people will get the gifts fast enough although some of them wish to see me for a long time. I want to stay as long as possible, but I do not want to waste too much of your time, and the sun is becoming really hot. It is soon time for me to have lunch and the venerable monks to have their mid-day meal. To avoid anarchy, we should devise a method to distribute the gifts. So, I rely on H.E. Palace Minister Kong Sam-ol and H.E. the governor of Prey Veng Province to handle a speedy distribution.

Long live Prey Veng Province! [applause]

Long live solidarity between the 8 million Cambodians! [applause]

Long live peace! [applause]

Long live Buddhism! [applause]

Long live the Kingdom of Cambodia! [applause]

May the three jewels of Buddhism protect the brothers, sisters, children, grandchildren, and great-grandchildren of your King Father and Queen Mother! May all of you enjoy the five Buddhist blessings! Thank you very much. [applause, cheers]

#### Sihanouk Receives Chinese Envoy's Credentials

BK2409115093 Phnom Penh AKP in English 1015  
GMT 24 Sep 93

[Text] Phnom Penh AKP September 24—Ms. Xue Yuee, an appointed-plenipotentiary and extraordinary ambassador of the People's Republic of China to Cambodia, presented here yesterday night her country's credentials to Cambodian Head of State Prince Norodom Sihanouk.

This is the first ambassador that presented credential letter to the prince since the country's constitution was overwhelmingly approved, paving the way for the prince to be the king.

Prince Norodom Sihanouk, who arrived here the same day from Beijing, expressed his satisfaction at her appointment as a plenipotentiary and extraordinary ambassador to Cambodia and promised to create favorable conditions for her to fulfill her mission in Cambodia in contributing to the consolidation and development of the friendship relations between Cambodia and China.

He said he had never forgotten the precious gratitude of the People's Republic of China towards Cambodian people in their struggle for peace over the past 20 years since the 1970 coup d'état.

In reply, Chinese ambassador said she hoped that under the clear-sighted leadership of Prince Norodom Sihanouk, the Cambodian people would reach the national reconciliation and rebuild their country soon. She also gave her support to Cambodia's constitutional monarchy.

China yesterday welcomed the adoption of the new constitution of Cambodia. "The adoption of a new constitution by the constituent assembly of Cambodia represents an important step forward in the peace process in the country," Chinese Foreign Ministry Spokeswoman, Fan Huijuan said.

On the bilateral assistance to Cambodia, she said, China would help Cambodia in several fields including agriculture, the restoration of a number of factories especially

the drug producing establishment and the training of health workers in sanitary service, all estimated at 10 million U.S. dollars.

Ms. Xue Yuee would replace Mr. Fu Xuezhang who has, since December 12, 1991, been Chinese diplomatic representative to the Supreme National Council of Cambodia, a reconciliatory body, ends its mission right after the adoption of the new constitution.

### **Thai Army Willing To Help Destroy Khmer Rouge**

*BK2409055893 Phnom Penh AKP in French 0437 GMT 24 Sep 93*

[All quotation marks as received]

[Text] Phnom Penh 24 Sep (AKP)—The Thai Army is ready to assist the Cambodian Government in dismantling Khmer Rouge bases in the northwest along the border with Thailand if there is a decision from its government, said the commander in chief of the Thai kingdom General Wimon Wongwanit, cited by Thai paper THE NATION.

"We, (the armed forces) are ready to support the policy of the government. If the latter asks us for our cooperation, we will be happy to do it, stressed the general while commenting on a proposal from the Cambodian Government to Thailand asking for assistance in dismantling major Khmer Rouge bases in the areas.

This proposal was made by the Cambodian co-prime ministers, Prince Kromluong Norodom Ranariddh and Hun Sen, in a letter sent on 15 September to Thai Prime Minister Chuan Likphai. The message also asks the Thai Government for permission to evacuate through Thai territory officers and men, as well as their families and ammunition, from Sok San camp in Cambodian territory to Poipet.

The spokesman of Thai Army, Phalangkun Klahan, however rejected the accusation made by Prince Norodom Sirivut, Cambodian minister of foreign affairs and international cooperation, according to which the Thai military fired some 200 shells on Cambodian territory during a recent confrontation near the border between government forces and Khmer Rouge troops, specified the English language paper.

"The Thai authorities never have the intention of supporting any group or faction," said Thai Foreign Minister Prasong Sunsiri. "Thailand only wishes to see durable peace returning to that country," added the minister who stressed at the end that "there would be no problems if Phnom Penh understands Thailand's position."

### **Damage to Railroad Track in Battambang Reported**

*BK2409130393 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 24 Sep 93*

[Text] On 13 September at 1930, a 70-centimeter segment of the railroad track from Sisophon to Battambang was destroyed. This damage occurred between water pipes behind a house in Thnal Bat village, Phnum Toch Commune, Mongkolborei District.

According to a police investigation, there was an explosion caused by TNT, similar to the one that took place two days ago.

The police also reported that on 12 September at 1930, an explosion on the railroad track also occurred at a water pipe in the vicinity of Phnum Toch village, south of Phnum Toch Commune. The police said that the explosion was caused by detonated TNT which destroyed a 70-centimeter segment of railroad track.

On 11 September, police at Banteay Neang post uncovered a mine laid by the enemy underneath the railroad track at the entrance to the Vat Banteay Neang Monastery, Banteay Neang Commune, in Mongkolborei District, Banteay Meanchey Province, following a report by a villager to the police post at 0630. According to an investigation, the police concluded that the mine was probably laid by the enemy on the night of 10 September judging from traces left on the spot.

### **13-18 Sep Military Situation in North Reported**

*BK2209103593 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1200 G 17 22 Sep 93*

[Text] According to a report of the Third Department of the Cambodian National Armed Forces [CNAF], from 13 to 18 September the Party of Democratic Kampuchea [PDK] Army conducted 27 military actions, including six infantry attacks against CNAF positions, eight artillery bombardments, four mining attacks, three robberies against people in remote areas, and six troop deployments and arms and ammunition shipments. These actions were relatively similar in intensity to those of the previous week. But the frequency of infantry attacks and artillery bombardments against CNAF positions is to be noted. Some of our positions came under repeated harassment, a few of them two or even three times.

The 27 military activities provoked by the PDK were serious, particularly in the Provinces of Siem Reap, Preah Vihear, and Kompong Thom. In general, they used an average of 40 to 50 soldiers for each infantry attack carried out under the cover of artillery barrages of 50 to 100 shells.

Recently, at An Seh in Preah Vihear Province, the PDK Army fired 300 to 400 artillery shells on CNAF positions in the areas north of Choam Khsan District.

In Siem Reap Province, while a series of attacks were launched in the Khav area of Chikreng District, repeated artillery shellings were reported against CNAF positions west of Varin District and against the position of the CNAF's 86th Battalion in Chikreng District.

In Kompong Thom Province, a series of attacks was reported against the Popok and Anlung Kranh areas of Stoung District. As a matter of fact, these two areas were contested between the PDK Army and the CNAF. Fighting continues in these places.

Also during that week, as a result of their self-defense actions, the CNAF killed 28 PDK soldiers, captured five, forced 202 others to surrender, and seized 430 assorted weapons, including arms captured in combat, arms handed over by those who surrendered, arms taken from active guerrillas, and arms confiscated from a number of illegal arms users. The above results were mostly those achieved in Siem Reap and Kompong Thom Provinces.

The CNAF in Siem Reap Province killed 13 PDK soldiers and forced 94 others to surrender, including three company-level officers. Of the 94 who surrendered, 20 came from Division 990 and 68 from Division 912. They also seized 151 assorted weapons.

The CNAF in Kompong Thom Province killed 15 PDK soldiers, forced 105 others to surrender, and seized 105 assorted weapons.

## Indonesia

### Failure of U.S. Senator's Amendment Viewed

BK2809155393 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 28 Sep 93

[Text] It is important for Indonesia to provide correct information to the U.S. Government so Washington will not have a wrong perception about Indonesia. Speaking in Jakarta today, Aisyah Amini, chairperson of parliament's Commission I [Roman numeral one] said the failure of Senator Russel Feingold's amendment, which wanted to link the U.S. arms sale to the human rights situation in Indonesia, showed that Indonesia's policy toward the United States was moving in the right direction. She said Indonesia continues to have excellent relations with the United States. U.S. President Bill Clinton himself said that Indonesia cannot be taken for granted in view of its 180-million population and its strong economic potentials.

### Swedish Remarks on East Timor Criticized

BK2409073993 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 23 Sep 93

[Text] Members of parliament have expressed their regret at the remarks made by four of their Swedish counterparts regarding East Timor. They consider this interference in Indonesia's internal affairs. Therefore, the parliament has decided to support the Indonesian

Government's move to lodge a strong protest with the Swedish Government through that country's ambassador in Indonesia.

Deputy House Speaker Hassan Sadrin said the four Swedish MP's—who were acting as interrogators, inspectors, and supervisors—had adopted an improper attitude because Indonesia is an independent and sovereign country. He added that the four Swedish MP's, who would be expected to be more experienced in this situation, should have presented an objective report by comparing what they had seen in East Timor to what the province looked like during the Portuguese colonial era.

Meanwhile, Sabam Sirait, a member of parliament's Commission I, has expressed support for the Indonesian Government's stand because the action of the Swedish MP's will not help the process of democracy in Indonesia. He added that Indonesia is developing its democracy as well as upholding social justice and human rights, but this does not mean the country is willing to be told what to do.

### UN Envoy on Postponement of East Timor Debate

BK2709130693 Jakarta ANTARA in English 1041 GMT 27 Sep 93

[Text] New York, Sep 26 (OANA/ANTARA)—Indonesian Ambassador to the United Nations Nugroho Wisnumurti has said that the deferment of the East Timor issue from the 48th agenda of the U.N. General Assembly was due to the progress made in the tripartite negotiations between Indonesia, Portugal and U.N. Secretary General Butrus Butrus-Ghali recently.

Replying to ANTARA's questions Sunday evening, Nugroho said the postponement was not made on the special request of the secretary general but rather on his report which stated the positive developments issued on September 17.

The meeting took place between Butrus Butrus-Ghali, Indonesian Foreign Minister Ali Alatas and the Portuguese foreign minister, Jose Manuel Durao Barroso.

The two foreign ministers accepted seven points, including the need to shape a climate favourable to both sides, devoid of confrontations in order to build headways towards an overall solution to the problem.

Both ministers also agreed on the importance of increasing respect for human rights in a broader scope involving civilian rights, the economy, socio-politics and culture, as well as the fundamental freedom for the East Timor people.

Both sides also agreed to promote exchange visits of journalists and individuals from Indonesia and Portugal.

The next triangular meeting will convene next year in Geneva on May 6 and preceded by a meeting of envoys of both governments at the United Nations headquarters in New York to prepare the agenda.

The 48th U.N. General Assembly will formally open on September 27. U.S. President Bill Clinton, Japanese Premier Morihiro Hosokawa and Brazilian Foreign Minister Celso Luiz Nunes Amorim will deliver their speeches on the first day. Foreign Minister Ali Alatas is scheduled to deliver his speech on October 1.

### **Jakarta To Assist Libya on Removal of Sanctions**

*BK2309160693 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 23 Sep 93*

[Text] Indonesia will continue to assist Libya to have the UN sanctions against that country lifted because they have caused the Libyan people to suffer. President Suharto made the remarks this afternoon in response to the message carried by (Mohamed Ahmad al-Sharif), special envoy of the Libyan president.

The head of state said that Hasnan Habib, the Non-aligned Movement's roving ambassador, has been instructed to hold talks on the matter with U.S. officials. According to Nana Sutresna, chairman of the Non-aligned Movement's Executive Board who accompanied the Libyan president's special envoy, President Suharto also said that Indonesian officials in New York have been instructed to hold talks on the matter with the UN Committee on Sanctions. The United Nations has imposed sanctions on Libya because two Libyan nationals were accused of masterminding the bombing of a Pan Am plane in Lockerbie, Scotland, several years ago.

### **Suharto Meets Bosnian Vice President Ganic**

*BK2509130593 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 25 Sep 93*

[Excerpt] Besides attending a gathering to mark International Literary Day today, President Suharto met with a special envoy of the Bosnian president at his Cendana Road residence in Jakarta. Our correspondent Joko Saksono reports as follows:

[Begin recording] [Saksono] The image of the Bosnian people's suffering was evident at the Cendana Road presidential residence this morning when Professor Ejup Ganic, special envoy of the Bosnian president and concurrently Bosnian vice president, paid a courtesy call on President Suharto. Speaking with a tone of deep sadness, the Bosnian vice president spoke about his meeting with the head of state:

[Ganic, in progress, speaking in English] ...your president on current situation in Bosnia. I explained to him the situation in Bosnia [words indistinct]. People in Bosnia asked for his support as a world leader and also the president of the largest Muslim country in the world. We are being killed in Bosnia just because we are Muslims.

[Saksono] During the meeting, the Bosnian vice president spoke on the latest situation in Bosnia and the political support given by Indonesia to Bosnia. Professor

Ganic also expressed hope for Indonesia's assistance so as to relieve the sufferings of the Bosnian people. [end recording] [passage omitted]

### **Suharto Congratulates Sihanouk on Enthronement**

*BK2609094793 Jakarta Radio Republik Indonesia Network in Indonesian 0500 GMT 26 p 93*

[Text] President Suharto has welcomed the election and coronation of Prince Sihanouk as Cambodian king while at the same time reiterated Indonesia's desire to maintain friendship and cooperation with the Cambodian Government and people. A press release issued by the Foreign Affairs Department said the president also prayed for Prince Sihanouk's success in leading the Cambodian nation and people so as to achieve their long-cherished ideals, namely, the reestablishment of a sovereign, independent, united, and neutral state of Cambodia.

### **Border Meeting With PNG Opens in Wamena 22 Sep**

*BK2309125693 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 23 Sep 93*

[Text] A meeting between Indonesian and Papua New Guinea officials was opened by district Chief J.B. Wenas in Wamena yesterday. The meeting, attended by the two countries' border liaison officers, is expected to discuss border problems, trade, communications, and exchanges between the rupiah and kina currencies.

Speaking to reporters in Wamena, M.D. Lewar, chief of the Irian Jaya-PNG border committee, said the meeting will discuss not only border and trade issues, but also 14 other issues which affect the two countries' interests. Lewar also expressed hope that the meeting will produce useful results for the two countries and people living along the common border. The meeting will also be used as a forum for border liaison officers to exchange information to strengthen cordial bilateral relations. The meeting is being attended by 35 Indonesian and 20 PNG delegates.

### **Laos**

#### **Nouhak Phoumsavan Greets Cambodia's Sihanouk**

*BK2609050493 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 25 Sep 93*

[Congratulatory message from President Nouhak Phoumsavan to Cambodian head of state Norodom Sihanouk—dated 25 September]

[Text] Respected Samdech: On the occasion of your accession to the throne as king of the Royal Kingdom of Cambodia—stemming from the success of the adoption of the new constitution by the constitution drafting

committee born from the elections held by the Cambodian people—on behalf of the Lao Government and people and in my own name, I would like to express our congratulations and best wishes to Your Majesty.

In the past, Your Majesty sacrificed your life and made great contributions to achieving freedom, national independence, national concord, and well-being for the Cambodian people. With such relentless efforts, Your Majesty earned the title of father of the Cambodian people, and at the same time, received extensive acclaim from the international community.

I am fully confident that under your royal patronage, the Royal Kingdom of Cambodia will march forward to attain complete national reconciliation, happiness, and prosperity.

As a close neighbor that has maintained a tradition of friendship and solidarity since ancient times, the Lao People's Democratic Republic will not lessen its efforts to make relations and cooperation between the two countries blossom and bear even more fruit in the interests of the Lao and Cambodian peoples.

On this auspicious occasion, I would like to extend my best wishes to Your Majesty for good health, longevity, and lasting happiness.

#### Paper Views Cambodia's New Constitution

BK2609130193 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 25 Sep 93

[PASASON 25 September feature: "Cambodia and the New Constitution"]

[Text] Prince Norodom Sihanouk was made king of Cambodia for the first time in 1941—the time when Cambodia was still a French colony. In 1953, France returned independence to Cambodia. Following the regaining of independence, Prince Norodom Sihanouk abdicated the throne to run in the election with a view to directly ruling the country. At that time, Prince Sihanouk set up a political party, called the Popular Socialist Party. He won overwhelming victory in the election, gaining as many as 83 percent of the votes cast by eligible voters. Prince Norodom Sihanouk, now entering his 70's in age this year, took steps to achieve national reconciliation by persuading the four Cambodian factions to hold peace talks—talks which brought significant success, leading to the signing of the Paris peace accord in 1991. In addition, following the elections which were held last May and which ended on 3 June, Prince Norodom Sihanouk agreed to officially accept the post of head of state.

Afterward, the constitution was drafted, and following months of discussion, the Constituent Assembly of Cambodia officially endorsed the new constitution on Tuesday, 21 September. In voting to endorse the new constitution, only five out of a total of 120 assembly members rejected the constitution. The endorsement of

the new constitution of Cambodia marks the beginning of a new era for the State of Cambodia. The endorsed draft constitution allows for the appointment of a king and two prime ministers. The endorsement of this new constitution has paved the way for Prince Norodom Sihanouk—head of state of Cambodia—to ascend to the throne as king of Cambodia again.

Following the official endorsement of the constitution, the new government, which is expected to be formed in the next few weeks, will begin solving many problems now facing the Cambodian nation. Hun Sen, who is expected to be made the second prime minister in the new government of Cambodia, said: There remain two problems which are considered very urgent problems that must be settled by the new government through its utmost efforts and the use of its power. One problem concerns the maintenance of public security; another one is the economic problem. Regarding the second problem, the new government must first pay attention to improving the people's living conditions. Prince Norodom Ranariddh, who is expected to be appointed to be the more senior prime minister of Cambodia, has agreed to the views of Hun Sen. He said: According to the Paris peace accord on Cambodia, the international community should take responsibility for helping to maintain public security in Cambodia. Prince Norodom Ranariddh added that to successfully fulfill the said tasks, the new Cambodian Government needs a large amount of financial aid.

The official endorsement of the constitution marks the beginning of the new era for the State of Cambodia when Prince Norodom Sihanouk signed the constitution in a ceremony held on Friday, 24 September. After the formation of the new government, the UN Transitional Authority in Cambodia will then come to an end. It will then be the responsibility of the new Cambodian Government itself to find ways of resolving the various problems on the path of a democratic system that the Cambodian people have chosen. The latest foreign sources also said that on 24 September Prince Norodom Sihanouk, head of state of the State of Cambodia, officially ascended the throne as king of Cambodia to serve as the focal point for the hearts of the Cambodian people. As the king, Prince Norodom Sihanouk will play an important role in determining the future of the Cambodian nation.

At a time when the Cambodian people are joyously welcoming the new government, which is empowered to rule the country in accordance with the new constitution, they have heightened their vigilance against the bandits who have created disturbances along the western border. They are also determined to cooperate with the authorities concerned, the army, and the government in building Cambodia into a peaceful and ever more prosperous country which maintains friendship with neighboring countries.

**Minister Departs for World Bank-IMF Meeting**

*BK2409020693 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 24 Sep 93*

[Text] Khamsai Souphanouvong, minister of finance and the Lao People's Democratic Republic [LPDR] governor in the World Bank, left Vientiane yesterday for New York with a delegation to attend the 48th annual conference of the World Bank and the IMF. The conference is scheduled to be held in New York, the United States, from 25 to 27 September.

The Lao delegation is going to make requests to developed industrialized countries to increase assistance to the LPDR's socioeconomic development from now to the year 2000. In addition, the Lao delegation will also meet with high-level World Bank and IMF officials to discuss the relations and cooperation between Laos and the two institutions.

A related report said that the Lao delegation headed by Khamsai Souphanouvong will pay a three-day official visit to the United States after attending the annual World Bank and IMF conference.

**PRC Official Thanks National Construction Front**

*BK2609061093 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 25 Sep 93*

[Text] According to a report from the Lao Front for National Construction [LFNC], Ye Xuanping, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, recently sent a message of thanks to LFNC Chairman Maisouk Saisompheng. The message expressed sincere appreciation to the Lao people for according every convenience to the delegation of the National Committee of the Chinese People's Political Consultative Conference during its visit to the Lao People's Democratic Republic from 2 to 6 July.

Ye Xuanping said: The Chinese delegation learned about the satisfactory achievements in restructuring, especially the economic development, improvement of the people's living conditions, and broadening of contacts with foreign countries. The affection and sincerity shown by the Lao people toward the Chinese people made a profound impression on our delegation.

Ye Xuanping expressed satisfaction with the development of friendly relations between the two countries, adding: Relations and cooperation between the parties and front organizations of our two countries will be further developed and strengthened.

**Thai Envoy, UNTAC Official Received**

*BK2509013693 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 24 Sep 93*

[Text] Somsavat Lengsavat, foreign affairs minister of the Lao People's Democratic Republic [LPDR], received in Vientiane today Nikhom Tantemsap, outgoing

extraordinary and plenipotentiary ambassador of the Kingdom of Thailand to the LPDR, who has just completed his three-year diplomatic mission here. During the reception which proceeded under an atmosphere of congenial friendship, the LPDR foreign affairs minister hailed the Thai ambassador for having made many important contributions to the gradually developing relations and cooperation between Laos and Thailand.

On the same day, Somsavat Lengsavat also received Colonel (Richard Lamibin), coordinator of the UNTAC [United Nations Transitional Authority in Cambodia] to Laos, who also completed his mission here. The foreign affairs minister hailed UNTAC operations, which have contributed to gradually improving the situation in Cambodia.

**Khammouane, Thai Province Hold Trade Seminar**

*BK2209043093 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 21 Sep 93*

[Text] Khammouane Province and Thailand's Nakhon Phanom Province jointly organized a seminar in Nakhon Phanom on 18 September on the theme 'Expressway to Indochina.'

Attending the seminar were Amnuai Wirawan, Thai deputy prime minister; Chandi Thongkhamsi, deputy governor of Khammouane Province; deputy chairman of the Lao Chamber of Trade and Industry; the Lao economic attaché in Bangkok; the governor of Nakhon Phanom Province; representatives of the chamber of trade and industry of Khammouane Province; and more than 400 investors from government and private sectors in northeastern Thailand.

In the one-day seminar, both sides reached agreements on several trade and investment issues. For example, they agreed to make Khammouane and Naphon Phanom Provinces the starting points for the trade, tourism, and investment development for both the governments and private sectors as a step toward future regional investment cooperation in Indochina.

**Officials Learn About ASEAN Structure, Function**

*BK2509010593 Bangkok THE NATION in English 25 Sep 93 p A3*

[Text] Laotian Foreign Minister Somsavat Lengsavat said his country wants to learn from Thailand's experience in the Association of Southeast Asian Nations (Asean) before it takes any move toward joining the group's activities during the next Asean meeting, to be held in Bangkok in July. Laos now has observer status in Asean.

Earlier this month, Laos sent five foreign ministry officials to the Thai Foreign Ministry's Asean Department for ten days of instruction on Asean's structure and functions, Somsavat told THE NATION on Wednesday.

Somsavat said he made the request for the training session during a meeting with Foreign Minister Prasong Sunsiri in Singapore in July when both men attended ASEAN's 26th ministerial meeting.

The two ministers earlier this week co-chaired the annual meeting of the Thai-Lao Joint Commission here during which Thailand agreed to increase both short- and long-term scholarship and training programmes granted to Laotian students in fiscal 1994.

The minister said the five officials returned to Vientiane on Sept 16 and would report the results of their study to the ministry.

Laotian Ambassador to Thailand Bounkeut Sangsomsak said if the report proved satisfactory, he would seek consultation with Thai officials to arrange further study programmes to allow Laotian officials to better acquaint themselves with ASEAN. Bounkeut said that Laos so far has not requested this type of training from other ASEAN member states. He said the two countries' language and geographic proximity made the arrangement of the programmes convenient.

Laos now has one division under the foreign ministry's Asia-Pacific department monitoring ASEAN affairs, he said.

Laos and Vietnam became observers of ASEAN last year, following Papua New Guinea. The three became consultative partners of the non-communist grouping at the Singapore meeting.

Vientiane, however, has been circumspect about its full integration into ASEAN due to its relative lack of resources and its economic incompatibility with the grouping, while Vietnam moved more aggressively during the Singapore meeting by proposing to be partly engaged in the ASEAN economic ministerial meeting and to send officials to be attached to the ASEAN Secretariat.

ASEAN—which now groups Thailand, Malaysia, Indonesia, the Philippines, Singapore and Brunei—was established in 1967 during the peak of Cold War tensions between communism and the West.

However, with the end of the Cold War and the increasing economic interdependence of the region, it became relevant for the group to consider enlarging itself to include the three Indochinese states and Burma. Cambodia attended the Singapore meeting as a guest.

At the Singapore meeting, ASEAN foreign ministers also agreed to launch an ASEAN Regional Forum (ARF) which will engage outside regional powers—the United States, Japan, China and Russia—in freewheeling security discussions with the Southeast Asian nations. Laos, Vietnam, Cambodia and Papua New Guinea will also join the discussions, to begin at Bangkok's ASEAN ministerial meeting.

## Philippines

### U.S. Aid Said Cut Due to Removal of Bases

BK2709122593 Manila *MANILA BULLETIN* in English 24 Sep 93 p B-7

[Text] United States assistance to the Philippines will be cut by 50 percent, from \$80 million this year to \$40 million in 1994.

Alan Ortiz, executive director of an aid coordinating body, said that the drop was due partly to the closure of all U.S. bases in this country in 1992 but said American budget considerations were another reason as well.

"It is a signal of many things, the United States has other priorities, there are many more claimants to U.S. assistance," he said citing Eastern Europe and possibly even the Palestinians.

U.S. Embassy spokesmen here said they could not comment on Ortiz's statements.

Ortiz said the government was still trying to determine if military assistance to the Philippines would be affected by the aid cut since, as it was covered by a separate mutual defense agreement. [sentence as published]

He said the bulk of the aid would still go to education and health, followed by infrastructure projects.

The Philippines, a former U.S. colony, received at least \$250 million in U.S. aid in 1991 when it was still hosting two of the largest overseas military bases, Clark and Subic Bay. However, after the bases closed, U.S. aid dropped to \$80 million this year, Ortiz said.

### De Venecia Elected as 14th AIPO President

BK2709020093 Manila *PNA* in English 1633 GMT 25 Sep 93

[Text] Kuala Lumpur, Sept. 25 (OANA-PNA)—Speaker Jose De Venecia Jr. has assured the early formation of an ASEAN parliament to meet the challenges of the global economic development in the coming Pacific century as he was elected president of the six-nation ASEAN Inter-Parliamentary Organization (AIPO).

Speaking during the turnover ceremony of the 14th AIPO general assembly at the Crown Princess Hotel, De Venecia took note of the fact that the world is in a state of flux and change as it heads for the next century.

He acknowledged that member countries of AIPO have already surmounted the initial problem of establishing a regional association at least on the parliamentary level. But we still are far from the ideal economic and political union, a task which requires the utmost magnitude of collective statesmanship that we can summon, he said.

Our abiding aspiration should be the early birth of an ASEAN parliament to provide a strong and effective

medium involving goodwill, unity and peace among the member nations, De Venecia said.

The transfer of the ASEAN Inter-Parliamentary Organization (AIPO) presidency to De Venecia, who will play host to the 15th AIPO general assembly next year in Manila, highlighted the closing rites of the conference which started last Monday.

An 80-page joint communique was issued by AIPO member countries—Indonesia, Malaysia, the Philippines, Singapore and Thailand. Brunei sat as an special observer.

Among those cited in the joint communique was the need for the establishment of an eastern growth triangle comprising eastern Malaysia, southern Indonesia and southern Philippines. With Davao as base of operations, a proposal which De Venecia [words indistinct].

An earlier proposal by De Venecia for the joint management and development of the disputed Spratly Islands by claimant countries was also received with favorable response by representatives of the People's Republic of China during a dialogue the other day.

#### **Parliamentary Talks With Iraqi Delegation Held**

JN2209181393 *Baghdad Republic of Iraq Radio Network in Arabic 1600 GMT 22 Sep 93*

[Text] A National Assembly delegation led by Assembly Deputy Speaker Ghanim 'Aziz met with Jose De Venecia, chairman of the Foreign Relations Committee of the Philippine House of Representatives, in Manila yesterday.

During the meeting, the National Assembly delegation explained in detail the negative impact of the unfair embargo imposed on Iraq, which has caused food and medicine shortages. He clarified Iraq's position with regard to Resolution 687, affirming the need for the United Nations to honor its obligations as enshrined in this resolution after Iraq has honored its commitments. The Philippine side has demonstrated full understanding of the Iraqi position in this regard, noting that the deputy chairman of the Foreign Relations Committee of the Philippine House of Representatives will demand, in the speech he will deliver before the UN Political Committee, that the embargo clamped on Iraq be lifted.

For his part, Jose De Venecia, speaker of the Philippine House of Representatives, paid tribute to the strong ties of friendship between the two friendly peoples of Iraq and the Philippines. He described the outcome of the talks held between the two sides as fruitful and positive. He also noted the importance of promoting and enhancing Iraqi-Philippine ties.

It is noteworthy that the National Assembly delegation arrived in Manila the day before yesterday on a three-day official visit to the Philippines.

#### **Cooperation Agreement Signed**

JN2309130993 *Baghdad INA in Arabic 0950 GMT 23 Sep 93*

[Excerpt] Manila, 23 Sep (INA)—The Iraqi National Assembly and the Philippine House of Representatives signed an agreement of friendship and cooperation in Manila yesterday.

Ghanim 'Aziz Khadduri, National Assembly deputy speaker, signed the agreement for the Iraqi side, and Jose De Venecia, speaker of the House of Representatives and chairman of its foreign relations committee, signed for the Philippine side. [passage omitted]

#### **Imelda Marcos, Former Official Convicted of Graft**

HK2409054593 *Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 24 Sep 93*

[Text] The Sandiganbayan (graft court) has handed down a guilty verdict on former First Lady Imelda Marcos and former Transport Minister Jose Dans Jr. on two graft charges filed by the government. The graft court also acquitted the two on three other graft charges.

Sandiganbayan found the former first lady guilty in Criminal Case No. 17450 of violating the Antigraft and Corrupt Practices Act and sentenced her to nine to 12 years in prison. The former first lady also was found guilty in Criminal Case No. 17453 and also sentenced to nine to 12 years.

The two cases arose after Marcos and Dans entered into five questionable contracts involving the Light Rail Transit and the Philippine General Hospital.

The court also gave the ombudsman 30 days to decide whether or not to file charges against officials of the establishments who were in collusion with Marcos and Dans.

The lawyers of the two said they would file a motion for reconsideration to reverse the graft court's ruling. They said that if the motion fails to overturn the verdict, they would appeal to the Supreme Court.

#### **Government Optimistic Talks With MNLF To Be Held**

HK2209032693 *Manila Manila Broadcasting Company DZRH in Tagalog 0900 GMT 21 Sep 93*

[Text] The government is optimistic that the peace talks between the government and the Moro National Liberation Front [MNLF] will be held in October in Jakarta. This optimism was expressed by Congressman Eduardo Ermita [member of the government's negotiating panel] after receiving a letter of intent from MNLF Chairman Nur Misuari, stating readiness to negotiate with government representatives. Once the formal peace talks push through, the discussions will revolve around the Tripoli Agreement, Ermita said.

[Begin Ermita recording in English] The readiness to talk with the government shall be transmitted to the government through official emissaries of the Moro National Liberation Front. And so that is what we are awaiting right now because this will trigger our initial coordination with the Indonesian Government on whether they can host the formal talks in Indonesia. [end recording]

Meanwhile, on the side of the communist movement and the National Democratic Front [NDF], Congressman Jess Dureza said talks may be held in Vietnam between representatives of the government and Communist Party of the Philippines founding chairman Jose Maria Sison and NDF's Luis Jalandoni. Dureza said the peace talks could take place any day in October.

### Thailand

#### King Swears In Ministers, Says Stop 'Haggling'

BK2809023593 Bangkok *THE NATION* in English  
28 Sep 93 p A1

[Text] Narathiwat—HM [His Majesty] the King yesterday advised the new Cabinet members to devote themselves to serving the country instead of preoccupying themselves with haggling over portfolios. His Majesty noted that the process in which the second Chuan Cabinet was formed "appeared to be chaotic, leading to criticism by the public".

"But we have to understand that this is something common in the democratic system," he told the new Cabinet members during an audience at Thaksin Rajanivet Palace in this southern province.

Prime Minister Chuan Likphai led the nine new Cabinet members in the oath-taking ceremony before HM the King. His Majesty reminded the Cabinet members that they have an important task in working for the people.

"(The Cabinet members) should comply with their oath to the best of their ability for the sake of the country and the people. "(They) should not preoccupy themselves with position haggling," he said.

The nine new Cabinet members were appointed following a limited Cabinet reshuffle triggered by the Social Action Party's forced departure from the coalition.

The new Cabinet members sworn in yesterday are Labour and Social Welfare Minister Gen Chawalit Yongchayut, Public Health Minister Dr Athit Urait, Deputy Public Health Minister Tuanchai Nu-upala, Deputy Labour Minister Phaithun Kaeothong, Deputy Labour Minister Soemsak Karun, Deputy Communications Minister Phinit Charusombat, Deputy Communications Minister Anek Thepsuwan, Justice Minister Sawai Phatthano and Deputy Commerce Minister Chaloemphon Sanitwongchai.

#### Queen Urges Action Against Illegal Loggers

BK2809030593 Bangkok *BANGKOK POST* in English  
28 Sep 93 p 3

[Text] HER Majesty the Queen, saddened by the shooting of a forestry official while protecting a national forest on September 19, has urged authorities to step up efforts to take legal action against forest poachers.

Forestry Department Director-General Phong Leng-ee said yesterday Her Majesty's concern was conveyed to him in a letter dated September 23 from Her Majesty's Private Secretary, Thanpuying Supraphada Kasemsan.

Thanpuying Supraphada said Her Majesty was deeply saddened by the news that Ritthirong Chaisiri, a C-4 forestry official attached to the forest protection unit on the Phu Phan Range, was shot dead and a forest protection volunteer, Arun Chaihan, was wounded by poachers in Phu Phan National Forest Reserve near Ban Tamed in Tambon [sub-district] Nathan of Kalasin's Kham Muang district on September 19.

"Concerning the value of forests, Her Majesty has frequently said forests are the only source of water for Thailand. Forests are the source of water and life of the country.

"Water is vital for all of the country's development," wrote Thanpuying Supraphada.

"Therefore, the loss of an official killed on duty protecting forests should be regarded as an important incident which indicates it is now time for those who are still alive to continue with the suppression of forest destroyers until their mission is accomplished in order to preserve forests and water for our children."

Mr Phong said Mr Ritthirong led a 12-strong patrol into Sri Sumang Forest Reserve on September 19 and arrested three men found sawing timber into planks.

While taking the suspects to a police station, the noise of a chainsaw was heard at about 5 p.m.

Mr Ritthirong and seven other men traced the noise and reached the site at about 7.30 p.m.

The log poachers opened fire on the authorities and Mr Ritthirong was hit in the chest. A firefight ensued and Mr Arun, a volunteer was shot and wounded.

The other men in the patrol carried Mr Ritthirong from the forest in the dark and heavy rain.

It took them two hours to reach their vehicle before travelling the 20 kilometres to Wang Sam Mo District Hospital in Udon Thani where Mr Ritthirong was pronounced dead on arrival.

A police team rushed to the scene of the shooting and found one suspect lying dead.

**Estonian Prime Minister Arrives 26 Sep**

*BK2609140593 Bangkok Army Television Channel 5 in Thai 1200 GMT 26 Sep 93*

[Text] Mart Laar, prime minister of the Republic of Estonia, and his party arrived in Bangkok this afternoon. The Estonian prime minister was greeted upon his arrival by Pridi Bunyophat, deputy director general of the Protocol Department. The Estonian prime minister and his party are visiting Thailand as special guests of the Foreign Ministry and are scheduled to pay a courtesy call on Prime Minister Chuan Likphai at Government House tomorrow and hold consultative talks on bilateral issues and trade with Deputy Prime Minister Suphachai Phanitchaphak.

In the evening of the same day, Foreign Minister Squadron Leader Prasong Sunsiri will host a dinner reception for the Estonian delegation.

**Chuan Meets Estonia's Laar**

*BK2809031193 Bangkok BANGKOK POST in English 28 Sep 93 p 6*

[Text] THAILAND and Estonia pledged yesterday to further expand bilateral relations, with Prime Minister Chuan Likphai giving full support for private sector investment, cultural and tourism exchanges between the two countries. Visiting Estonian Prime Minister Mart Laar met with Mr Chuan at Government House yesterday morning. He was accompanied by Foreign Minister Prasong Sunsiri and the Prime Minister's Secretary Thawat Wichaidit.

Mr Laar thanked Thailand for being the first in this region to officially recognise Estonia and establish diplomatic relations with the country after its split from the former Soviet Union. The Estonian leader told Mr Chuan that while their countries were geographically far apart, it was possible to have close and friendly relations.

Mr Laar said he hoped Thailand would serve as a gateway for Estonia to this region, while Estonia would serve as a gateway for Thailand to the Baltic republics and other former Soviet states. Estonia could learn from Thailand's development experience, said Mr Laar.

Mr Chuan praised successful political and economic reforms in Estonia, which, he said, was moving towards a full democracy and market economy.

Mr Laar is the first high-ranking official from a Baltic republic to officially visit Thailand since the disintegration of the Soviet Union in 1991.

**Ministry Hopes for Peaceful Solution in Russia**

*BK2809025493 Bangkok Radio Thailand Network in English 0000 GMT 28 Sep 93*

[Text] The Ministry of Foreign Affairs says that Thailand attaches great importance to the situation in the Russian Federation, now in a constitutional crisis. The

Foreign Ministry reaffirms Thailand's support to democracy and economic reform in Russia toward a free market economy. Conflicts are internal affairs in that country. Thailand wishes to see peaceful solution to the conflicts in the best interest of the Russian people and peace and security in the world at large.

Deputy Secretary General of the National Security Council Khachatphai Burutphat, meanwhile, states his belief that President Boris Yeltsin will be able to contain the conflicts and that Russia will not turn back to its former days during the cold war.

**Leaders Meet With PLO's 'Arafat 24 Sep**

*BK2409072693 Bangkok Radio Thailand Network in Thai 0530 GMT 24 Sep 93*

[Text] Yasir 'Arafat, leader of the Palestine Liberation Organization [PLO], met with Thai leaders for about 1 hour during his stopover at Bangkok International Airport early this morning on his way from the PRC to Indonesia.

Prime Minister Chuan Likphai, Deputy Prime Minister Bunchu Rotchanasathian, and Foreign Minister Squadron Leader Prasong Sunsiri greeted Yaser 'Arafat upon his arrival at the airport at 0515 today.

Speaking to reporters after his meeting with the PLO leader, the prime minister said he congratulated 'Arafat on the recent signing of the peace agreement between Palestine and Israel, adding that Thailand, as an agricultural country with some expertise in this area, has offered assistance to the Palestinian state in training its agriculture personnel.

Touching on diplomatic relations between Thailand and Palestine, Squadron Leader Prasong Sunsiri told reporters that the Foreign Ministry is considering the establishment of a PLO office in Bangkok and the issue will be presented to the cabinet soon, probably next week.

Asked if the office will be upgraded into an embassy or not, the foreign minister said that is a matter for the future. He noted that the opening of the PLO office will benefit Thailand in terms of foreign markets for Thai labor and products since Palestine has close relations with the Arab nations.

**Minister Reports on Trade Discussions With EC**

*BK2809034793 Bangkok BANGKOK POST in English 28 Sep 93 p 19*

[Text] THE European Community (EC) wants Thailand to extend the bilateral agreement on exports of Thai tapioca pellets to EC markets, according to Deputy Prime Minister Suphachai Panitchaphak.

Mr Suphachai, who returned to Thailand yesterday morning from a visit to the EC last week, said he had discussed the issue with EC Trade Commissioner Sir

Leon Brittan. The bilateral agreement will expire at the end of next year and Thailand has not yet decided to extend it because it wants to consider the implications of doing so.

The Thailand Development and Research Institute (TDRI) is conducting a study on the effects of extending the treaty.

Mr Suphachai said his discussions with EC trade officials covered a wide range of subjects including Thailand's request for larger quotas for canned tuna, EC anti-dumping actions against TV tubes made in Thailand, the possible collapse of the International Natural Rubber Organisation and the proposal to set up annual meetings of trade ministers from ASEAN and the EC.

The EC agreed to consider all of the issues, he said.

This is the final year in which either side can seek any changes to the four-year tapioca agreement. Thailand can ship up to 21 million tons of tapioca pellets to the EC between 1991-1994 under the agreement, with a limit of 5.75 million tons in any single year. If either side wants the agreement amended or scrapped it has to notify the other before the end of this year. He said the EC favoured extending the agreement but Thailand had requested more relaxed conditions in the new treaty.

Mr Suphachai said he had informed Sir Leon that Thailand had been affected by reform of the EC Common Agricultural Policy [CAP], which will bring the price of EC grain down 29 percent within three years from July this year.

Thailand also requested continued assistance from the EC on adding value to fresh cassava roots.

Meanwhile, the director of the Thailand Tapioca Development Institute, Danai Dulalumpa, said the current price of Thai tapioca pellets in the EC market was only US\$100 a ton. The price had fallen too quickly after the CAP was reformed, he said.

He said the price of EC grain was 117 European currency units (Ecu) in July this year, but would drop to 108 Ecu in July 1994 and 100 Ecu in July 1995.

Mr Danai said if the price of Thai tapioca pellets in the EC was US\$100 in the third year after CAP reform local fresh cassava root prices would be 70-80 satang a kilogramme. It was expected that planters could survive at this price.

Mr Danai said the announcement last week that quotas to the EC market would be allocated using two methods would not affect the price of tapioca pellets in the EC. The price would depend on whether Thailand extended the agreement and how the Commerce Ministry would allocate the quotas.

**Crackdown on Aliens, Illegal Businesses Planned**  
*BK2809025593 Bangkok BANGKOK POST in English*  
*28 Sep 93 p 1*

[Text] THE National Intelligence Agency (NIA) and Special Branch Police Bureau are expected to propose a crackdown on aliens who have set up companies as a front for illegal businesses and crimes. Government sources said the two intelligence agencies think that 30 foreign companies, mainly Chinese, had been formed for these purposes. A lot of the companies have not engaged in any commercial activity for more than two years and some could not be located at their listed address.

Company owners were given residence in Thailand when they registered their businesses and brought in experts to assist them in their work. Some of the foreign experts are competing for local jobs, said the sources. Some of the aliens are believed to have engaged in illegal activities, including the smuggling of illegal immigrants, extortion, theft and murder. Those identified to date include mainland Chinese, Taiwanese, Hong Kong citizens and Haw hilltribesmen, said the sources. Some of the firms are believed to have been set up to smuggle mainland Chinese via ship to the United States.

Washington has asked Thailand to help crack down on illegal Chinese immigrants who have sneaked into Thailand and are being assisted by smugglers to enter the US. The US faces a major influx of illegal Chinese immigrants, many of whom are believed to have come through Thailand. The sources said Immigration Police had been urged to tighten controls on arriving foreigners, particularly Chinese.

The regulation governing the registration of foreign firms should also be reviewed to prevent foreign gangsters from setting up companies as a front for their crimes, the sources quoted the NIA and Special Branch as saying.

**Conditions for Opening Insurance Market Stated**  
*BK2809082193 Bangkok BANGKOK POST in English*  
*28 Sep 93 p 19*

[Text] DEPUTY Prime Minister Suphachai Phanitchaphak said yesterday Thailand might be willing to allow US insurance companies to set up new branches here, but only if Washington eases restrictions on Thai companies operating in the United States.

He was responding to a request from US Ambassador to Thailand David Lambertson for Universal Insurance (better known by its Thai name of Phaisan Insurance), a subsidiary of American International Assurance, to set up 11 branches in Thailand.

Ambassador Lambertson made the request to Commerce Minister Uthai Phimchaichon last Friday.

The US request cites the 1966 Thai-US Amity Treaty, which says that for many professions and services, US companies and citizens can enjoy the same rights in Thailand as Thais.

Dr Suphachai said if the US makes such a request based on the Treaty of Amity, Thailand should also demand that the US open its insurance market.

The Thais might want to change the US regulation that foreigners put up a US\$50,000 guarantee to register a company.

Also, the registration of foreign insurance firms in four US states, such as Arizona, require simultaneous registration in New York.

"If the US improves its offer to allow free establishment of insurance firms in any state, Thailand might open its insurance market to US firms and other countries," said Mr Suphachai.

Thailand will open its market to the world under the "Most Favoured Nation" principle of non-discrimination of the General Agreement on Trade in Services now being negotiated at the Uruguay Round of GATT talks.

Besides American firms, Japanese and European Community insurance firms will also gain from the opening of the Thai insurance market.

Mr Suphachai suggested that the Government outline its plans to open Thailand's service markets, particularly general insurance and life assurance, because Thailand must surely open them, either under the Treaty of Amity or the GATT negotiations.

He said the plans should be modeled after the Bank of Thailand's opening of the banking sector through the Bangkok International Banking Facilities.

Thailand should use the case of Universal Insurance as an example of opening its service markets.

However, the Government must consider whether amending the Treaty of Amity will benefit the Thai people, because the country's protected insurance firms may be at a disadvantage to those in developed countries.

He said that opening the insurance market will boost competition, and the Government should help Thai firms bring money back to the country from abroad.

Prime Minister Chuan Likphai is likely to meet with US businesses, including American International Assurance, the major shareholders in Universal Insurance, when he visits the US in October.

### **Generals Appointed To Run Army TV Station**

*BK2809024993 Bangkok THE NATION in English 28 Sep 93 p A8*

[Excerpt] THE chief of staff to the Army commander-in-chief, Lt Gen Yutthana Khamdi, has been appointed director of TV Channel 5, and the Signals Department chief, Maj Gen Yongyut Yutthakanbancha, as the deputy director. Army spokesman Col Phalangkun Klahan said yesterday the appointments have been approved by Army chief Gen Wimon Wongwanit and will be effective from Oct 1.

Phalangkun said Channel 5 will give more emphasis to live televised sports and documentaries. He said more private media firms will be given the chance to supply programmes to the channel and are being encouraged to present detailed packages. Decisions on what will be chosen will be the responsibility of the Army Broadcasting Control Board chaired by Wimon, he said. [passage omitted]

### **Customs Office Holding Imported Wood Bombed**

*BK2209020393 Bangkok BANGKOK POST in English 22 Sep 93 p 6*

[Text] Mae Sot—Part of the Mae Sot customs office was slightly damaged by a home-made bomb yesterday.

Police said the blast took place at about 6.45 a.m. at the warehouse where some 7,000 pieces of processed wood imported from Burma by Mae Sot Raja Industrial Company were stored. The force of the explosion caused damage to glass windows of the customs office, nearby shophouses and about 20 wooden planks.

Police found two alarm clocks, a small amount of TNT and gasoline near processed wood where the explosion occurred. Police suspect that the blast was designed to scare Chana Chaengkrachang, 58, the company director, as well as force him to stop importing wood since the company is the first one allowed to legally import 90 square metres of processed wood from Burma.

### **'Constructive Engagement' Burma Policy Viewed**

*BK2409022593 Bangkok BANGKOK POST in English 24 Sep 93 p 4*

[Editorial: "Coming to terms with SLORC"]

[Text] SLORC's [State Law and Order Restoration Council] top leaders received Foreign Minister Prasong Sunsiri during his visit to Rangoon last week in what might have passed unremarked if Thailand's open door to Nobel peace laureates in February had not cooled relations.

At the time of the Nobel laureates' rousing trip, Deputy Foreign Minister Surin Phitsuwan, on a visit to Rangoon, was not permitted scheduled courtesy calls on Gen [General] Than Shwe and Lt-Gen [Lieutenant General]

Khin Nyunt, respectively chairman and intelligence chief of the State Law and Order Restoration Council.

Foreign Minister Prasong's proposal for Burma to be invited as observer to the July 1994 meeting in Bangkok of the Association of Southeast Asian Nations (ASEAN) could have been the gesture that won hardened hearts and minds in Rangoon. A number of Thai visits since the end of May, beginning with the one-day trip to Rangoon of Interior Minister Chawalit Yongchaiyut possibly helped pave the way. Coincidental or planned, Gen Chawalit's visit to Rangoon was followed by several others led by top brass officers, including Defence Minister Wicht Sukmak, Army Commander-in-Chief Gen Wimon Wongwanit, and Navy Commander-in-Chief Wichet Karunyawanit.

The latest sign of measured melting from Rangoon came with the visit to Bangkok of Burmese Air Force Commander Thein Win on Tuesday (September 21). But it remains to be seen how Rangoon will regard the planned, forthcoming visit of organisers of the Nobel laureates' February mission, which among other things called for the release of dedicated dissident Aung San Suu Kyi, and transfer of power to a civilian government.

Thailand would not welcome new hitches with a difficult neighbour enjoying good relations with influential China. Neither would it invite tiffs with a neighbour endowed with attractive resources such as timber, precious stones, fish and oil. Conversely, there is a limit as to how far cash-strapped Rangoon can play hard to get with an eastern neighbour growing in economic strength.

But Thailand cannot afford to sit back while Singapore is seen to be moving fast for profit in Burma. SLORC's secretary-general Lt-Gen Khin Nyunt was on the island republic in May, for a five-day visit that sought to further boost bilateral trade, already up from US\$18 million in 1990 to US\$372 million last year. If Thailand misplays its card, it could be edged out of Burma by dollar-keen Singapore, which is already doing well in nearby Cambodia and Vietnam.

Not least importantly, Thailand has to clear the negative record notched up by Thai traders, mainly looking for Burmese logs and fish, who are criticised for their unfair dealings, notes Chulalongkorn University's Burma watcher Chayachok Chulasiriwong.

Rangoon is planning to end logging concessions with 60 Thai timber companies in December, in what is seen as partly in retaliation for perceived Thai help to minorities fighting SLORC's rule from border strongholds.

Rangoon over the past five months is reported to have beefed up forces along the 2,401-kilometre-long border with Thailand, which has seen periodic campaigns against ethnic rebel groups for the past 40 years.

SLORC also has shown intention to cancel fishery rights as it considers as unfair the terms of contracts signed with Thai fishing firms, and finds it difficult to control

the movements of Thai vessels. The substance of this is SLORC's decision to shorten the permitted fishing period from 41 to 25 days and sharply increase the licence fee.

Moreover, trading along the Thai-Burmese border over the past few months is reported to have ground to a halt, incurring loss estimated at 200 million baht, well-placed sources note.

Thailand maintains that some fruit has come of its "constructive engagement" with SLORC, which it justifies as a way of drawing Rangoon out of its shell and, hopefully, into eventual conformity with the norms of international society. Thailand is criticised for sustaining relations with such a widely and fiercely condemned regime which, among other things, has refused to recognise election results of more than three years ago that gave Aung San Suu Kyi's party a landslide victory.

But the staunchest critics live far away and hardly have to contend with, or would be immediately affected by, the moves on the chessboard of regional politics or economics.

Burma is wooed by China, which Thailand and other states in the region have to live with, for the satisfaction of the Mainland's security and material interests.

China is reported to be installing listening posts, and refurbishing naval facilities in Burma in order to monitor security developments in the Indian Ocean. The Asian giant going strong with its socialist market economy is also believed to be seeking a trade route through Burma to reach consumers on the other side.

Economically, Thailand desires Burma's participation in a quadrangle the two countries would enjoy with Laos, and the economically vibrant southern part of China. But the ringroads being considered as starters will facilitate the flow of the good in trade, tourism and investments, as well as the bad and ugly in crime and other imagined security threats.

In the lead-up to the September 16-18 inaugural meeting of the Thai-Burmese Joint Commission, Foreign Minister Prasong stressed his intent to expand cooperation in all fields.

Squadron Leader [Sqn Ldr] Prasong's Burmese counterpart, Ohn Gyaw, and his Deputy Foreign Minister Nyunt Swe are both reported to have been "a little disturbed" by Thailand's entry permit to the Nobel laureates six months ago.

Burma's English-language daily, the *New Light of Myanmar* [as published], reportedly kept up an anti-Thai barrage for almost two months after February. But something, the visits of Thai top brass, the proposal for Burma to attend, as observer, next year's ASEAN meeting, or Rangoon's need for cash and friends, or a combination, has effected some change, as officials reported a

smoother than expected flow of dialogue last week, even though agreement is yet to be reached on several Thai suggestions.

More specifically, Gen Than Shwe and Lt-Gen Khin Nyunt tried to quell concerns about forestry and fishery, assuring Sqn Ldr Prasong that they would take care of these problems, sources noted. The two SLORC leaders also promised to consider leniency for Thai fishermen arrested two months ago.

Not least, they affirmed interest in Burma's attending the ASEAN meeting with the status of observer.

Thai officials said the latest talks deepened their understanding of Burmese thinking. SLORC at the same time was given another opportunity in international association, the officials added.

Critics may decry Thailand's Burma policy as contrary to growing demands for fundamental human rights and democracy. The open door to Nobel laureates showed that Thai leaders are sensitive to public opinion, as vividly expressed in the events in Bangkok of May 1992. But it looks as if pragmatic considerations will still come first, as long as interests hold, and disaster is out of sight.

### Vietnam

#### Radio Comments on Reported Sighting of American

*BK2809133193 Hanoi Voice of Vietnam in English 1000 GMT 28 Sep 93*

##### [Station commentary]

[Text] In our previous program, we brought you a report on the filming of a fake American POW. In today's program, we will bring you a story about an American allegedly still living in Vietnam after the war.

The Plain of Reeds is a well-known area in south Vietnam. This place was the resistance base during the struggle to defend the country. Late last week, the Plain of Reeds has again come into surface because of a report of live Americans there. On August 10th, at the request of Mr. (Ronald Kenley), an American POW expert, the Vietnamese side organized a visit to the place in the Plain of Reeds. There, the MIA team visited Mr. Duong Van De living at No. 761, Village No. 2. After seeing the photograph of an American sitting among the villagers, the viewers recognized the man as Michael. He married a woman there. After 1975, he returned to America with his wife and children. In the past years, he came back to Vietnam with his family. That was the picture taken in 1992 he gave to the villagers there. His wife is Mrs. Duong Thi Vuong, and Mr. Duong Van De is her brother. After the visit, the American team identified the origin of the picture and people in it. This information was fully recorded in investigation proceedings FC029 case in the Plain of Reeds signed by representatives of the American side. The American in the picture is Mr.

Michael (Orthory), former lieutenant of the U.S. Air Force. During the Vietnam war, he was posted in Thot Not then he moved to Rach Gia and married Mrs. Duong Thi Vuong, a native of Dong Thap Province. In 1972, he was wounded. After being hospitalized, Michael brought his family to Dong Thap Province and in 1975, he returned to the United States with his wife and children. At present, they are living at 2878 Colorado Avenue, SD [San Diego], California 92154.

That was the story of an alleged American living in the Plain of Reeds. MIA is a sensitive issue in America. Some forces in the United States have taken advantage of this issue for their filthy interests. Live sighting report of this kind is not the last as long as the issue still exists.

#### Joint MIA Research Team Holds Regular Meeting

*BK2809143393 Hanoi VNA in English 1340 GMT 28 Sep 93*

[Text] Hanoi VNA Sept. 28—Vietnamese and US specialists on American servicemen missing in action (MIA) issue met in a regular session in Hanoi on Sept. 27.

The specialists reviewed the implementation of the 25th joint search. The American team highly appreciated Vietnam's continued cooperation in the latest search and held that the two sides had made efforts to achieve progresses in the settlement of the MIA issue including progresses in the four fields proposed by President Clinton on July 2, 1993. With joint efforts and support from the local population, the two sides collected the remains relating to 18 American cases reported missing and more information that helps shed more light on the fate of 17 discrepancy cases.

The two sides agreed to conduct the 26th joint search in a number of Vietnam's northern and southern provinces from Oct. 21 to Nov. 16 and to discuss measures to make the work more effective.

#### Russian Ambassador Calls Ship Seizure 'Illegal'

*BK2809145093 Hong Kong AFP in English 1053 GMT 28 Sep 93*

[Text] Hanoi, Sept 28 (AFP)—The Russian ambassador in Hanoi attacked Tuesday Vietnam's seizure of 2,600 tonnes of steel from a Russian cargo ship held at a north Vietnamese port.

"This incident is an anomaly in the relations between Russia and Vietnam," Ambassador Rashid Khamidulin said at press conference in Hanoi.

Officials in Vietnam seized the shipment aboard the freighter Kosygin and imposed a 100,000-dollar fine after a four-month administrative investigation.

The Russian ship, which made a stop last May in the port of Hon Gai, 250 kilometers (155 miles) northeast of Hanoi, was supposed to deliver the steel to China as part

of a joint venture between Russia and Vietnam. But Vietnamese officials determined that the shipment was illegal as the ship's captain did not have proper customs clearance.

According to the official Vietnamese Communist Party daily, the NHAN DAN, the incident involved contraband and violated Vietnamese law. But ambassador Khamidulin saw it otherwise, said the "information published by NHAN DAN was one hundred percent false" and affirmed that the crew had properly filled out all the appropriate documents.

"The fine is completely illegal," he said, adding that it was a question of "defending Russia's honor."

### Ministry Welcomes Restoration of IMF Privileges

BK2809151893 Hong Kong AFP in English 1253 GMT  
28 Sep 93

[Text] Hanoi, Sept 28 (AFP)—Vietnam welcomed its return to the International Monetary Fund (IMF) today Tuesday, with its foreign ministry describing the move as one of considerable importance. A group of countries, supporting Vietnam and led by France and Japan, announced late Monday that Hanoi had regained its status after securing the repayment of 140 million dollars to the IMF. The group said the IMF would examine October 6 the resumption of aid to Vietnam.

"We greatly appreciate the good will of countries like France, Japan, Australia, Canada, Sweden, Finland and Switzerland, who gave non-refundable aid to Vietnam," the foreign ministry said in a statement. The seven countries together gave Vietnam 55 million dollars. The individual contributions were not spelled out.

A syndicate of 18 commercial banks—led by the French bank BFCE and Japan's Eximbank—granted Vietnam revolving credit to settle the remaining 85 million dollars. That credit will have to be repaid.

Balancing the arrears "creates the conditions to restore financial relations between the IMF and Vietnam, in this way securing credit from the World Bank and the Asian Development Bank [ADB] to rebuild social and economic infrastructure," the foreign ministry said.

The United States, which recently lifted its commercial embargo against Hanoi, dropped its objection in July to the resumption of IMF assistance to Vietnam, opening the door for bilateral lending and financing from the World Bank and the ADB. The World Bank is willing to furnish 350 millions dollars over the next 12 months to finance three projects in the struggling transport, agriculture and education sectors here.

The ADB is to resume lending at the end of next month. It has proposed three infrastructure projects worth a total of 200 million dollars, which only await formal approvals before being launched.

### President Le Duc Anh Greets Cambodia's Sihanouk

BK2709152193 Hanoi VNA in English 1351 GMT  
27 Sep 93

[Text] Hanoi VNA Sept. 27—President Le Duc Anh has extended his congratulations to Prince Norodom Sihanouk on his election as king of the Kingdom of Cambodia by the Throne Council.

On this occasion, the Vietnamese leader expressed his belief that 'under the leadership of the king the Cambodian people will succeed in building Cambodia into a peaceful, independent, unified, neutral and non-aligned kingdom which has friendly relations with all countries, first of all neighbouring ones, in the interests of peace, stability, friendship, cooperation and development in Southeast Asia and in the world'.

The president affirmed that Vietnam always wishes to consolidate and develop its friendship, cooperation and neighbourliness with the Kingdom of Cambodia in the interests of the two peoples.

### National Assembly Delegation Attends AIPO Forum

BK2709153193 Hanoi VNA in English 1355 GMT  
27 Sep 93

[Text] Hanoi VNA Sept. 27—A delegation of the National Assembly led by Vice Chairman Dang Quan Thuy attended the 14th conference of the ASEAN Inter-Parliamentary Organisation (AIPO) held in Kuala Lumpur, Malaysia, from Sept. 20-25.

The conference was attended by 250 delegates from five ASEAN countries and 10 observer countries. Vietnam's delegation attended the conference as an observer at the invitation of AIPO chairman Tan Sri Dato Mohamde Zahir Bin Haji Ismail.

The conference discussed important international and regional issues, emphasizing on the consolidation of peace and stability in Southeast Asia and in Asia-Pacific region as a whole, strengthening economic cooperation in the ASEAN countries, and advancing to the establishment of a free trade region in Southeast Asia in the early 21st century.

Speaking at the conference Vice Chairman Dang Quan Thuy informed the participants of the renovation process in Vietnam and expressed its wish for the consolidation and development of the friendship and cooperation between Vietnam and ASEAN countries, and between the Vietnamese National Assembly and the legislatures in ASEAN and AIPO on the basis of equality, mutual benefit and respect.

The Vietnamese delegation also met with other delegations to the conference.

**PRC Publishing House Delegation Visits**

*BK2509065393 Hanoi VNA in English 0638 GMT  
25 Sep 93*

[Text] Hanoi VNA Sept. 25—A delegation of the Chinese People's Publishing House led by its Deputy Editor-in-Chief Zhang Zuoyao has paid a working visit to Vietnam as guest of the Vietnam National Politics Publishing House (VNPP).

The delegation of the VNPP led by Prof. Tran Nham, its director and editor-in-chief, had working sessions with the Chinese delegation. The two sides exchanged experiences in their work and discussed their cooperation line in the coming time. On this occasion, a memorandum of understanding on the promotion and development of the cooperative friendly relations was signed by the two delegations.

While here, the Chinese delegation was also received by Nguyen Duc Binh, Politburo member and secretary of the Central Committee of the Communist Party of Vietnam, who expressed his wishes for the constant promotion and expansion of the cooperative and friendly relations between the two publishing houses in the interests of each agency.

The Chinese guests also visited Ho Chi Minh City and some publishing establishments in the country.

**Mountain Socioeconomic Development Forum Opens**

*BK2409114793 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 23 Sep 93*

[Text] The national conference on socioeconomic development in mountain regions was opened this morning at the Ba Dinh Conference Hall. Prime Minister Vo Van Kiet and Deputy Prime Minister Phan Van Khai presided over the conference.

Attending the conference were National Assembly Chairman Nong Duc Manh; Comrade Dong Si Nguyen and Comrade Nguyen Ngoc Truu, special envoys of the prime minister; a number of ministers and deputy ministers and representatives of various offices, sectors, mass organizations; and secretaries, chairmen, and cadres belonging to various sectors in many mountainous provinces; district chairmen from various key districts; commanders of some military regions; and leaders from various plants, forestry farms, and peasant households scoring outstanding production achievements.

The conference was held by the government to assess the implementation of the Political Bureau's Resolution 22 on sociocultural development in mountain regions and of the government's Decision 72 on deployment of the government policy toward mountain regions policy; and to discuss a number of policies and solutions in developing the economy in mountain regions in the upcoming period.

Major problems to be discussed at the conference will consist of developing the mountainous communications network; solving the water supply for production and for daily use by compatriots; and building a system of small hydroelectric projects and information facilities.

Concerning production, discussions will be focused on developing agricultural production, short-term and long-term industrial crops, stock breeding, funds for production, afforestation and forest protection, settled farming and sedentary life, and those issues concerning cadre training, and development of educational, health care and cultural activities for compatriots of various ethnic minority groups. All these are for the purpose of helping mountain regions eradicate hunger and poverty as soon as possible.

The conference will last for three days, from 23 to 25 September.

**Further on Activities at Forum**

*BK2409114793 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 23 Sep 93*

[Text] A national conference on mountain socioeconomic development opened at the Ba Dinh conference hall in Hanoi this morning under the cochairmanship of Prime Minister Vo Van Kiet and Deputy Prime Minister Phan Van Khai.

Attending the conference were National Assembly Chairman Nong Duc Manh; Deputy Prime Minister Nguyen Khanh; Comrade Dong Sy Nguyen and Comrade Nguyen Ngoc Truu; special envoys of the prime minister; ministers and deputy ministers of various ministries; representatives of various branches, sectors, and mass organizations; secretaries, chairmen, and cadres of various mountain provinces; chairmen of some key districts; commanders of certain military regions; directors of some machinery plants and forestry sites; and those peasant households with good production records in various mountain provinces.

This conference is held by the government to evaluate the situation regarding the implementation of the Political Bureau's Resolution 22 on mountain economic and cultural development and the government's Decision 72 on the enactment of its policy toward mountain regions; and to discuss some policies and solutions in developing the mountain economy in the period ahead.

All the reports and speeches delivered at the conference—such as a report presented by Comrade Hoang Duc Nghi, minister of state and head of the government's Nationalities and Mountain Region Committee, and the speeches delivered by representatives of various provinces and districts—pointed out that since 1991, the capital investment in mountain regions has been more satisfactory, capable of initially solving some economic, cultural, social, security, and national defense problems and bringing about the confidence of the compatriots of various ethnic minority groups. Some areas inhabited by

ethnic minority groups, especially those in the low-lying areas, have achieved good progress in certain domains. Various specialized industrial crop areas are taking shape. The animal population has increased considerably. Forestry work and those economies based on horticultural production in hilly areas, on forestry-horticultural production, and on tree nurseries are flourishing. Many settled-farming and settled-life projects carried out in line with the new system have produced some results. Although still small in size, material-technical bases, and those infrastructure facilities catering to production and life such as roads, water conservancy, electricity, and communications and liaison, have been able to spur economic exchanges. Activities in the educational, cultural, information, and health care fields have attained some results and progress. All provinces have set the goal for reducing the population growth rate. Capital investment in mountain provinces in 1993 is five times larger than in 1990.

Generally speaking, the new policies and new work methods applied by various central and local sectors over the past three years have, in fact, contributed greatly to effecting initial changes for the better in economic development, to building infrastructure facilities, and to solving various social issues in mountain regions.

After three years of implementation, these new policies have demonstrated that those guiding thoughts, concepts, and courses of action set forth in the Political Bureau's Resolution 22 and the government's Decision 72 are correct and suitable to the realities of mountain regions, conform to the people's aspirations, and meet the urgent needs in the life of the multiethnic compatriots. Mountain economic development, especially in high-lying border areas and inaccessible remote areas has, however, remained very slow. There is a growing trend toward nomadic farming and nomadic life as well as uncontrolled migration. Many precious natural resources have been indiscriminately exploited, and the natural environment has been seriously destroyed. More than half of the local population is still poor and in permanent shortage of food. The percentage of the illiterate population is still high, and the problem of children of school age being unable to attend school is relatively prevalent. Diseases are rampant, while cultural and information activities are still poor and backward.

To effect new changes for the better economically, socially, and environmentally during the period between now and 1995, we should concentrate on solving various important issues. We must first ascertain the natural characters of every province and each small area; step up efforts to renovate the economic structure in the direction of developing the advantages of each region; concentrate on promptly turning a number of potential grain crops and animal species into marketable commodities on a large-scale basis in conjunction with efforts to step up processing and expand the market; provide adequate guidance for implementation of the policy to deliver

land and forest land to individual peasants for management; consistently carry out the policy to develop the multisectoral economy in midland and mountain areas; upgrade and expand the communications and transport system; increase electricity generating output; improve communication and liaison conditions; broaden the trade, tourist service, and foreign investment system; pay attention to solving various social policies more satisfactorily in mountain regions; consolidate the grassroots health care system in high-lying areas and in those areas inhabited by ethnic minority groups; consolidate and upgrade various schools for ethnic minority groups in mountain regions to generate a source of replenishment for mountain ethnic cadres; and intensify efforts to consolidate national security and defense.

The conference will continue to be in session until 25 September.

#### Vo Van Kiet Speaks at Conference

BK2609132793 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 25 Sep 93

[Text] After three intense working days, the national conference on socioeconomic development for mountain regions which was convened by the government concluded on 25 September. Speaking at the conference, Prime Minister Vo Van Kiet, Deputy Prime Minister Phan Van Khai, and all the other representatives were of the opinion that in the past three years, in implementing Resolution 22 of the party Central Committee Political Bureau on socioeconomic development for mountain regions and the government's Decision 72 outlining policies for the mountainous regions, many initial achievements in economy, culture, society, security, and national defense have been recorded, thus enhancing confidence among minority ethnic compatriots. This reality demonstrated that the Political Bureau Resolution 22 and the government Decision 72 were correct, suitable for the realities of the mountain regions, and responsive to the aspirations and demands of the minority ethnic compatriots.

The pace of economic development of the mountain regions, however, remains slow, especially in the high-lying, remote and inaccessible border regions. Nomadic farming and nomadic life are still popular and tending to increase. Many precious natural resources have been exploited indiscriminately, and the natural environment has been seriously damaged. More than 50 percent of the population in the regions still lives in poverty and suffers regular food shortages. The rate of illiteracy is still high; many children do not have a chance to go to school; and diseases are widespread while cultural and communication activities are still very poor.

Those attending the conference concentrated on studying the causes of the problems and on finding measures to quickly bring the mountain regions out of hunger and poverty.

Addressing the conference, Prime Minister Vo Van Kiet and Deputy Prime Minister Phan Van Khai both pointed out that the pace of economic development in the mountain regions is still lagging. Efforts should be made to create uniformed changes in order to gradually improve the life of the compatriots living in the mountain regions. The immediate objective should be to concentrate on resolving burning issues such as reform of the economic framework. The authorities should strive to correctly determine which plants needs to be grown or which farm animals should be raised that will bring high returns.

To reform the economic framework, uniformed plans should be properly drawn up. From now until 1995, the allotment of land and forest land to peasants should be expanded, and help should be provided to assist people in stabilizing their lives. Development plans should be determined in accordance with the strengths of the localities, which are exploitation of forest, cultivation of industrial plants, and livestock rearing.

The localities should also, however, pay appropriate attention to local production of food grain. Each locality should review its particular circumstances in determining suitable plants and livestock. From now until 1995, they should expand the allotment of land and forest land to peasants, as well as help them in stabilizing their lives. Once land and forest have been allocated, they should also provide training in techniques and planning to peasants, mobilize capital to assist peasants, and carefully assess the allocation of capital to ensure efficient investment. Work should be carried out according to plans and not in a disorderly manner. In these mountain regions, where people are still very poor, cadres should live with the people, be close and dear to them, and see after their food, shelter, and clothing. Priority should be given to lending capital to people, with light interest or no interest, for particular regions or particular categories of people.

The chairmen of provincial people's committees should be responsible to the state for the implementation of plans for the mountain regions, and the secretaries of the provinces' party committees should be responsible to the Political Bureau for the proper observance of approved plans.

Comrade Vo Van Kiet also touched on the issues of forest protection and covering bare hills and mountains with greenery. He pointed out that each locality should have its own plan considering its peculiar realities, to decide the order of tasks to be carried out so as to ensure high efficiency. The prime minister confirmed that capital for locally managed projects would be directed to the localities; for projects that need the assistance of central government, capital would be handed to specialized sectors. The comrade stressed that chairmen of the mountain provinces should be leaders in the tasks of protecting and developing forests. He hoped that after this conference, the localities and the sectors and echelons concerned would continue and further reform their

good performance in order to help the minority ethnic compatriots of the mountain regions advance along the path toward wealth and strength.

### **Interior Ministry Holds Conference on Corruption**

*BK2509103593 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 24 Sep 93*

[Text] The Ministry of Interior held a conference on 23 and 24 September to review the tasks regarding the detection of, investigation into, and legal actions taken against corruption and smuggling.

Attending were directors and deputy directors of the public security offices of various provinces from Thua Thien Hue northward. The conference was presided over and addressed by Comrade Bui Thien Ngo, minister of interior.

Counting only from early 1992 to the first half of 1993, the public security forces of various northern provinces and other security units subordinate to the ministry have detected, investigated, and taken legal action against 28,000 cases of economic crime, including 1,169 cases involving corruption, smuggling, dealing in prohibited goods, and other economic crimes.

It is important to note that compared with the same period last year, corruption and smuggling activities detected over the first six months of this year have increased in number, in the amounts of assets lost, and in the degree of severity. The public security forces at various levels have been able to avert many large-scale cases of corruption and smuggling and identify their ringleaders. Assets involved in certain smuggling cases amount to thousands of dong.

Through the struggle against corruption and smuggling crimes, public security forces at various levels have discovered negligence and laxity in the control system and policies as well as in the economic and cadre management. They have promptly advised the government and various economic sectors to rectify or come up with effective preventive policies and measures against corruption and smuggling, especially those dealing with imports and exports and with the policy on eligibility for duty-free goods.

After two days of intensive discussion, all the comrades in attendance shared the views that anticorruption and antismuggling activities will remain complex in the period ahead, requiring public security agents at various levels to try harder and to cooperate closely with other responsible organs in detecting and dealing with more corruption and smuggling cases in order to contribute to maintaining security and order in the entire country.

### **Commercial Crime Chief Arrested for Corruption**

*BK2709164893 Hong Kong AFP in English 0554 GMT 27 Sep 93*

[Text] Hanoi, Sept 27 (AFP)—The head of Hanoi's commercial crime office, Le Van Luu, has been arrested

in connection with a smuggling case, press reports said here Monday. He was arrested and charged last week with altering and falsifying police documents involving a 1992 car smuggling case on the border with China, the local press said, without giving further details. The head of the capital's drugs squad, Pham Tam Liem, was arrested last month in connection with the same case, according to press reports.

### Housing, Customs Officers Await Corruption Trial

BK2709162193 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 26 Sep 93

[Text] The Supreme People's Office of Control recently forwarded a notice to the Security Investigation Department under Ministry of Interior requesting prosecution proceedings to be started for the criminal case against the defendants Le Thanh Hai, former director of Land and Housing Office of Ho Chi Minh City, and four other cadres of Customs Service who were involved in the case, for receiving bribes.

Based on the testimony of the defendant Tran Xuan Tuan in a case of giving and receiving bribes, which had been heard before, Tran Xuan Tuan bribed the former director of the Housing Office of Ho Chi Minh City with 1 kg of gold and a Dream-2 motorcycle. He also paid bribes of large amounts of money and gold to four customs officers at the Tan Son Nhat Airport.

The Supreme People's Office of Control has investigated and found that the testimony of Tran Xuan Tuan was based on real facts. It then requested the Security Investigation Department under the Ministry of Interior to start prosecution the defendants for receiving bribes in accordance to the Article 226 of the Criminal Code.

### Leaders Attend Senior Citizens Sports Festival

BK2709154393 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 26 Sep 93

[Text] A cultural and sport festival for older people in the capital was held this morning at the Hanoi Gymnastics and Sports Center on the occasion of the International Day of the Aged, 1 October, and the 39th anniversary of the Capital Liberation Day, 10 October.

Comrade Vu Oanh, member of the party Central Committee Political Bureau; Pham The Duyet, member of the party Central Committee Political Bureau and secretary of the Hanoi party committee; and Le Quang Dao, member of the Presidium of the Vietnam Fatherland Front Central Committee, attended the festival.

Nearly 3,000 members from various Elder People's Clubs belonging to many precincts and districts in Hanoi

participated in the capital's cultural and sport festival for the elders. About 600 elderly athletes and actors participated in performing and competing in a 26-event art performance featuring traditional art of fighting and tai chi-style physical exercise.

To make preparations for this festival, hundreds of Elder People's Clubs in various wards, villages, districts and precincts in Hanoi held festival events during the last two months to select teams to participate in the extensive festival, attracting thousands of older people to join in training and exhibition.

### Government Plans Increased Cement Production

BK2709151593 Hanoi VNA in English 1348 GMT 27 Sep 93

[Text] Hanoi VNA Sept. 25—The Vietnamese Government has mapped out a plan to develop cement production to meet the requirements of 6.5 million tonnes in 1995 and from 12-15 million tonnes in the year 2000.

The plan includes the construction of small plant in different localities, each with a capacity of 100,000-320,000 tonnes/year, the raising of the capacity of big plants whose present capacity is more than one million tonnes/year each, and the building of 7 large-sized modern plants each with a capacity of 2-3 million tonnes/year.

The central Province of Quang Nam-Da Nang has invested hundreds of billions of VN dong to build a cement plant of vertical kiln type with a capacity of 82,000 tonnes/year and a plant of rotating kiln type with a capacity of one million tonnes/year and a 0.5 million-ton/year clinker-grinding establishment.

The Trang Khen Cement Plant in Haiphong, a joint venture between the port city and Ching Fong Group of Taiwan, with a capacity of 1.4 million tonnes/year (first phase) will be put into operation in 1997.

A project to expand the Hoang Thach Cement Plant in Hai Hung Province with an additional production line of 1.2 million tonnes/year is expected to start soon. The project will be undertaken by Denmark's F.L. Smith Company with equipment from Japan.

It is expected that in 1994-95, the construction of a number of joint venture cement plants will start in 1994-95. They will include a 2 million-tonne/year plant, a joint venture with Mitsubishi-Nisson, Japan, worth 310 million US dollars a 1.5 million tonnes/year plant, a joint venture with Holderbank, Switzerland and a joint venture cement plant with Luks Industrial Co. Ltd, Hong Kong, worth 31.5 million US dollars.

## Australia

### New Submarine Lays Foundation for Self-Reliance

*BK2409132793 Sydney THE AUSTRALIAN in English  
27 Aug 93 p 25*

[Commentary by Australian Defense Minister Senator Robert Ray: "Collins Lays the Basis for Self-Reliance"]

[Text] The first of Australia's new submarines, the Collins, to be launched tomorrow will be quite simply the best conventionally powered submarine in the world. It is the first of six new boats which will put the Royal Australian Navy in the forefront of submarine warfare. The Collins class submarines, to be introduced into service up to 2000, will use the most advanced combat systems in the world. Combined with the submarine communication facilities at North West Cape, the Collins class will enhance Australia's maritime capabilities well into the next century. They will replace the fleet of aging Oberon submarines, introduced into service in the 1960s.

Australia's investment in the Collins class submarines has flowed directly from the federal government's self-reliant defense policy. Australia's strategic defense posture is, in the most fundamental sense, defensive. But we have always believed the option to strike offensively at an adversary is an essential element of our self-reliant defense capability, and submarines provide us with that. The Collins, and its sister boats, will increase our submarine capability substantially. They have a long range, they carry highly advanced weapons and sensor systems, and they will be almost impossible to detect. Additionally, they have many characteristics which accord them advantages over other platforms in certain roles, including antisubmarine warfare, maritime strike, and intelligence collection-surveillance.

The launch of this magnificent boat is obviously a great event for the Australian navy. But it is also a great event for Australian industry. It took a lot of courage and a deep faith in our capabilities to decide to build the Collins class submarines in Australia. That trust has been amply repaid and we are now among the world leaders in many aspects of submarine warfare. So in building the Collins we have laid the foundations of an industry. As construction develops, the submarine facility will come to play an even more significant role in the life of Adelaide and surrounding areas. Australian industry is an integral part of broader defense policy. It benefits Australia through adding to our capacity for self-reliance in the defense sector which, in turn, reduces our dependence on overseas imports.

The building of these submarines is testimony to the skills of the Australian work force and their fine contribution to the viability of this project. The project is within budget, on time, and has deepened our industrial expertise in this field of construction. This venture between Kockums AB of Sweden and the Australian Submarine Corp Pty Ltd builds on the very strong ties

that already exist with Sweden. It also provides opportunities for collaboration in the broader defense materiel field, including sales of equipment to countries in our region. These countries are investigating the development of submarine capabilities for their defense needs. Where this contributes to regional stability, Australia has the expertise available to assist in the realization of this goal.

### Boosts Defense Industry

*BK2409151593 Sydney THE AUSTRALIAN in English  
27 Aug 93 p 25*

[Commentary by John Kerin: "Defense industry delivers an economic boost"]

[Text] The contract to build six Collins class submarines for the Royal Australian Navy has become the focus of a multi-billion-dollar defense industry in Australia. Though estimating the economic impact of such a vast and expensive project is fraught with difficulties, at least the South Australian Center for Economic Studies has attempted to quantify the value of defense spending to the state economy. A report commissioned by the former Department of Industry, Trade, and Technology in 1990, now the state's Economic Development Authority [EDA], and carried out by the center's former research manager Mr Barry Burgan and Adelaide University economics lecturer Ms Anne Arnold, confirms defense spending will provide a significant boost to the state economy over the 1990-95 period.

The \$5 billion submarine project would generate 800 jobs at the Osborne base at its peak, and a total of 3,500 jobs across the country. The report also estimates that 40 per cent of the project would involve either the Australian Submarine Corp at Adelaide-based Osborne or work going directly to South Australian-based contractors. Since the report was carried out, the South Australian-based firms are estimated to have benefited by at least \$1.5 billion from the project. Pacific Dunlop's Marine Batteries division has a \$48 million contract to develop submarine batteries; British Aerospace Australia, a \$31.2 million contract for the design and manufacture of the launch control and weapons system; AWA Defense Industries, \$16 million for power conversion equipment; and Perry Engineering, \$17 million for propulsion components and hull fabrication.

But the study looked beyond the bounds of the submarine project to confirm the state was benefiting heavily from the defense industry. It estimates total defense spending in the state in the period 1990-1995 will generate 2,500 jobs and increase wages spending by \$100 million a year, equivalent to 0.5 percent of State GDP. This includes an examination of local contracts for the \$500 million Anzac frigates project, the commercial development of a Laser Airborne Depth Sounder, a Royal Australian Navy order for four survey catamarans, and the manufacture of civil radar systems.

South Australia was also poised to reap long-term benefits from its defense projects, including expanding its technology and skills base, an enhanced ability to win new defense contracts and maintain business and consumer confidence, and compensate for cyclical downturns in the retail and building industries. Now a senior lecturer in commerce at the University of Adelaide, Mr Burgan said yesterday he believed the submarine project and the defense industry had lived up to their potential over the past three years. "I think that work was based on a fairly conservative set of assumptions," Mr Burgan said. "Most of the contracts we examined were already 'in the bag' and since that time there have undoubtedly been more." "Certainly without the defense industry which has been reasonably recession-proof, the state economy, unemployment, and investment would have been in a much worse state than it is now."

However, he said he believed the establishment of a reputation for excellence in the building of defense and high-technology projects was a much more long-term objective. The chief executive of South Australia's EDA, Mr Robin Marrett, said the launch of Australia's first Collins class submarine matched the scale and scope of economic changes underway in South Australia.

### Marshall Islands

#### President: Economic Problems Not Insurmountable

BK2209093693 Hong Kong AFP in English 0845 GMT  
22 Sep 93

[Text] Majuro, Sept 22 (AFP)—The Marshall Islands' economic future is bleak and desperate only if the nation allows it to be, President Amata Kabua told the Nitijela (Parliament) in a state of the nation address Wednesday.

"Our economic problems are not insurmountable," Kabua said.

"My ardent belief remains unflagging with the sense that we may be sitting on a gold mine," he said, adding that the Marshalls' attraction for tourists was a vital asset which offered it future prosperity. The economy now, however, was an artificial one, dependent on outside aid, primarily from the U.S., he said. Washington provided \$6 million dollars to the Marshalls in 1992 under the Compact of Free Association, by which the former trust territory gained independence.

"In the year 2002, when the funds guaranteed by the compact run out, this nation may face financial problems, that is if we do not develop our own industries that are economically viable and self-sustaining," Kabua said.

The "continuing high rate of population growth" will create major unemployment problems in the near future.

"While we have achieved our political independence, our economy and thus our future well being is seemingly

in the hands of others," he said. During the past 10 months, the fishing industry had exported 800,000 pounds (360,000 kilograms) of tuna.

"I am convinced that this activity will soon overtake the copra industry and thus become our top revenue earner," Kabua said.

The government planned to expand the fleet by up to 30 new long-line boats, in addition to a joint venture with China which will provide 20 more boats in January.

The government-owned airline, Air Marshall Islands, was a "source of anxiety", he said, but its financial position was improving and could reach a break even point next fiscal year.

### New Zealand

#### Trade Deficit Triples Over 1992 Statistics

BK2409021293 Hong Kong AFP in English 0135 GMT  
24 Sep 93

[Text] Wellington, Sept 24 (AFP)—New Zealand had a trade deficit last month of 301.2 million New Zealand dollars (164.2 million U.S. dollars), up from a deficit of 102.5 million dollars (55.8 million dollars) in August 1992, the Statistics Department said in a statement Friday.

Exports last month were 1.45 billion dollars, a 13.6 percent rise from August 1992, while imports grew at a faster rate to reach 1.75 billion dollars. That was up 27 percent from August 1992 and included a 158 million dollar aircraft. The department said it was usual for New Zealand to have a monthly deficit in its trade balance in August. For the year ended August 31, New Zealand had a trade surplus of 1.34 billion dollars, down from a 2.16 billion dollars surplus for the year ended in August 1992.

The department said exports and imports in the most recent 12-month period were at record levels, but imports rose faster (13 percent) than did exports (6.9 percent).

### Papua New Guinea

#### Opposition Angry Over Wingti's Political Maneuver

BK2409095393 Melbourne Radio Australia in English  
0630 GMT 24 Sep 93

[From the "International Report" program]

[Text] In Papua New Guinea [PNG], Prime Minister Paias Wingti resigned today. But it was just a trick, a trick which has won him another 18 months in power, free from the threat of a vote of no-confidence. PNG Correspondent Sean Dorney explained the extraordinary development to Richard Palfreman.

[Begin recording] [Dorney] As soon as the parliament started today, Richard, the speaker told the members that he had been informed by the governor general that Mr. Wingti had resigned, and the reason for the alleged resignation was threats of votes of no confidence and Mr. Wingti wanted all 109 members to support him to stay in power. He then called four nominations. Mr. Wingti was nominated. The opposition got very frustrated at this, but Mr. Wingti was then reelected. In effect what he has done is chopped off his term that had just gone over 15 months and after 18 months he would have been liable to a challenge to a vote of no confidence. But he has chopped that term off and he has begun an entirely new 18-month term in which he can't be challenged by a motion of no confidence in the parliament.

[Palfreman] Interesting tactics. What was the reaction from the opposition?

[Dorney] They stormed out of the parliament. The opposition shadow attorney general, Bernard Narakobi, was screaming that it was an abuse of process, and just at the press conference conducted just a few minutes ago Mr. Narakobi told us that he'd be taking the whole matter to the Supreme Court because he thinks that the resignation may be in order, but the reelection should have waited seven days. So, it's a matter that will go before the Supreme Court and be adjudicated on, but until then Paias Wingti is back in power and back in the seat.

[Palfreman] And what about the longer-term ramifications?

[Dorney] Well, it's a good trick for Paias Wingti to stay in power, but the opposition has been trying completely against him and in fact, yesterday the parliament voted to set up a constitutional commission to look at the whole range of things, including Mr. Wingti's desire to get rid of the provincial government system. Well, Mr. Narakobi and the other opposition members say they are resigning from that commission and that they will support no further changes to the constitution. And without opposition support, Mr. Wingti's efforts to get any changes to the constitution will just won't happen. [end recording]

### Solomon Islands

#### Honiara To Develop Two New Industrial Centers

*BK2209090393 Melbourne Radio Australia in English 0500 GMT 22 Sep 93*

[Text] The Solomon Islands Government is to develop two new industrial centers. South Pacific correspondent Erina Reddan reports the aim is part of the new government's major economic reform.

[Begin Reddan recording] The minister for commerce, (Joseph Tunuku) [name and title as heard], says his government will build the infrastructure necessary in Malaita and Western Province to attract investment. At

the moment, only Honiara, the capital, has only light industry. The minister said Solomon Islands wants to attract investment in targeted areas like fisheries and log processing. He said although developing the industrial centers will be expensive, it's a high priority to the government because of expected financial gains. Solomon Islands will review the investment incentive package and ensure a smooth fast approval process. The minister also said he would review import policy because up until now Solomon Islands has been a dumping ground for inferior products. [end recording]

### Tuvalu

#### Parliament Unable To Select New Prime Minister

*BK2309131093 Melbourne Radio Australia in English 0500 GMT 23 Sep 93*

[Text] In Tuvalu, fresh general elections are to be held following the dissolution of parliament by the governor general, Sir (Taripi Laoti). The dissolution follows two failed attempts by the country's 12 members of parliament to choose a new prime minister after general elections held earlier this month. Caretaker Prime Minister Bikenibeu Paeniu is being challenged for the post by the former premier, Dr. Tomasi Puapua. No date has yet been set for the new poll.

### Vanuatu

#### Prime Minister Rejects Coalition Unity Proposal

*BK2709104893 Hong Kong AFP in English 0933 GMT 27 Sep 93*

[Text] Port Vila, September 27 (AFP)—An attempt to repair the broken coalition government of the Pacific island nation of Vanuatu failed Monday when Prime Minister Maxime Carlot said that officials who supported it were "parasites and traitors."

Speaking at Bauerfield airport here minutes after he returned from an 11-day overseas trip, Carlot denounced an agreement signed on Thursday by Petre Malsungai, secretary-general of the Union of Moderate Parties (UMP), and a faction of the National United Party (NUP) led by former premier Walter Lini.

Obviously angry, Carlot told AFP: "This is a fight for leadership, so we shall have to settle this within our party." The UMP will meet on October 2 and October 3, he added, "and believe me, they will hear me."

On August 23, Lini gave one month's notice of his intention to withdraw support for the coalition after Carlot refused to give him a ministerial portfolio in a cabinet reshuffle. Lini also called for the resignation of Carlot, the first French-speaking premier of the former Anglo-French condominium of the New Hebrides.

Five of the nine other NUP members in parliament followed Lini into what he called a "centrist position"—

allied with neither government nor opposition. Four NUP members including Deputy Premier Sethy Regenvanu remain loyal to Carlot, who can now rely on 24 of the 46 members of parliament.

On Thursday, Malsungai and the NUP chairman, Vietnamese-born businessman Dinh Van Tan, said the parties had agreed to review the Memorandum of Understanding (MOU) which is the basis of the coalition formed in December 1991. In a joint press release, they said the NUP would remain a coalition partner "to ensure stability in both parliament and government" and that a new MOU would be signed next month.

Denouncing the statement, Carlot said: "They are talking with people who want me to go away. This is crazy."

UMP officials who negotiated with Lini were "parasites and traitors," he said.

Regenvanu said Thursday that his so-called "government faction" of the NUP had already drafted a new MOU of its own which would be presented to Carlot on his return from Taiwan, Thailand and the United States. Regenvanu's close aide Kalkot Mataskelekele said Friday that Lini and Dinh were guilty of breaking NUP resolutions by threatening to quit the government and "should undergo disciplinary action."